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United States Department of Agriculture

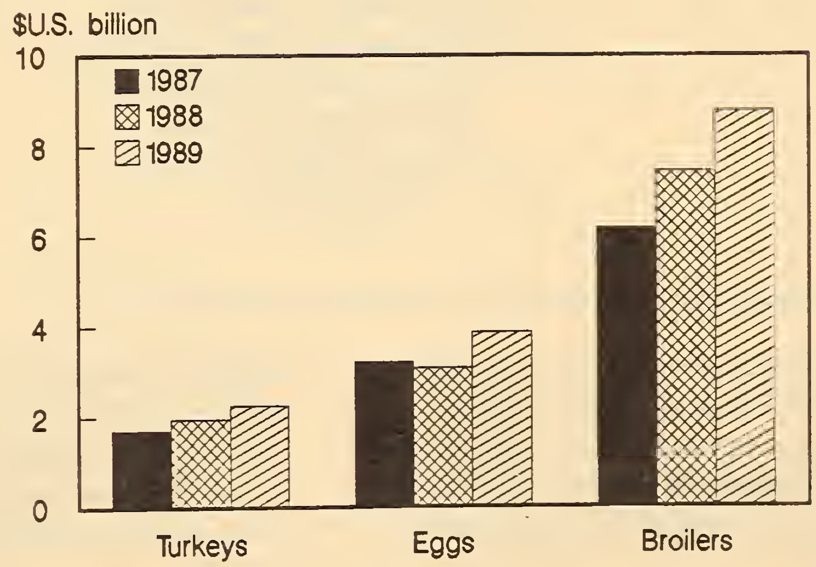
Economic Research Service

LPS-41
May 1990

Livestock and Poultry

Situation and Outlook Report

Value of Production



1989 preliminary.

Livestock and Poultry Situation and Outlook. Commodity Economics Division, Economic Research Service, U.S. Department of Agriculture, May 1990, LPS-41.

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Approved by the World Agricultural Outlook Board. Summary released May 15, 1990. The next summary of the *Livestock and Poultry Situation and Outlook* is scheduled for release on July 13, 1990. Situation and Outlook text may be accessed electronically through the USDA CID system. For details, call (202) 447-5505.

The present forecasts will be updated, if needed, in the World Agricultural Supply and Demand Estimates scheduled for release on June 12 and July 12, 1990.

The *Livestock and Poultry Situation and Outlook* is published six times a year. Subscriptions are available from ERS/NASS, Box 1608, Rockville, MD 20849-1608, or call, toll free, 1-800-999-6779 (8:30-5:00 ET). Rates: 1 year $17, 2 years $33, 3 years $48. Foreign customers add 25 percent for subscriptions mailed outside the United States. Make check payable to ERS/NASS.

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Summary

Red meat and poultry production for 1990 may rise about 2 percent from 1989. Poultry meat, led by the growth in broilers, is expected to rise about 7 percent. Red meat production is expected to be down 1 percent from last year. Positive net returns are anticipated for broilers and eggs, and near break-even for turkey producers. Pork producers' total returns have increased greatly and are expected to be favorable this year. Returns for cow-calf operators continue above cash costs, as they have since 1986.

Corn prices have risen sharply in recent weeks because of strong demand and tight stocks. Corn prices may strengthen from 1989/90's $2.30 to $2.40 per bushel, even with a projected 1990 crop of 8.1 billion bushels.

Broiler production in 1990 is expected to advance 7 percent, this reflecting positive returns since 1987. Wholesale broiler prices may average 52-58 cents in 1990, compared with 59 cents in 1989. The lower prices may encourage featuring broilers in the second and third quarters as wholesale pork prices strengthen further. Also, beef prices may decline from recent record levels but continue high compared with broilers.

Turkey production rose sharply in the first quarter, but year-to-year increases may moderate during the remainder of the year. For 1990, turkey production may climb 7 percent, and wholesale prices average 59-65 cents per pound, compared with 67 cents a year ago.

Total egg production is expected to be up 1 percent from last year, following positive returns in 1989 and early 1990. After averaging 88 cents per dozen in the first quarter, egg prices are declining sharply. Wholesale New York egg prices for 1990 are expected to average 70-76 cents per dozen, compared with 82 cents last year.

Commercial pork production during 1990 is expected to decline about 2 percent due to poor returns in 1989. Barrow and gilt prices rose sharply in early 1990 and may average $52-$58 per cwt for the year, compared with $44 in 1989. Retail pork prices have risen sharply since mid-1989, and for 1990 may average 9 to 13 percent over 1989's $1.83 per pound.

Beef production in 1990 may increase slightly. As in recent years, the increase comes from fed beef and heavier slaughter weights. Nonfed production continues to decline. Choice steers at Omaha are expected average $2 to $3 per cwt above 1989's $72.50 and retail beef prices may rise 1 to 3 percent over 1989.

Table 1--Livestock, poultry, and egg production and prices (All percent changes shown are from a year earlier.)

Item	1988	1989					1990				
	Annual	I	II	III	IV	Annual	I	II 1/	III 1/	IV 1/	Annual 1/
						Million pounds					
Production:											
Beef	23,424	5,530	5,777	5,893	5,774	22,974	5,507	5,850	6,000	5,675	23,032
% change	0	-3	0	-5	0	-2	0	1	2	-2	0
Pork	15,623	3,885	3,929	3,790	4,155	15,759	3,902	3,650	3,625	4,300	15,477
% change	9	3	5	0	-4	1	0	-7	-4	3	-2
Lamb & mutton	329	88	80	81	92	341	93	82	85	93	353
% change	6	4	0	1	10	4	6	2	5	1	4
Veal	387	91	85	84	84	344	79	80	80	80	319
% change	-7	-6	-8	-15	-15	-11	-13	-6	-5	-5	-7
Total red meat	39,763	9,594	9,871	9,848	10,105	39,418	9,581	9,662	9,790	10,148	39,181
% change	3	-1	2	-3	-2	-1	0	-2	-1	0	-1
Broilers 2/	16,124	4,129	4,389	4,395	4,420	17,334	4,495	4,700	4,715	4,700	18,610
% change	4	3	8	9	10	8	9	7	7	6	7
Turkeys 2/	3,923	804	1,014	1,176	1,181	4,175	983	1,100	1,200	1,180	4,463
% change	6	-4	3	10	14	6	22	8	2	0	7
Total poultry 3/	20,588	5,070	5,538	5,704	5,727	22,039	5,611	5,940	6,040	6,015	23,606
% change	4	2	6	9	11	7	11	7	6	5	7
Total red meat and poultry	60,351	14,664	15,409	15,552	15,832	61,457	15,192	15,602	15,830	16,163	62,787
% change	4	0	3	1	2	2	4	1	2	2	2
						Million dozen					
Eggs	5,784	1,389	1,394	1,389	1,415	5,587	1,390	1,410	1,410	1,450	5,660
% change	-1	-6	-3	-2	-2	-3	0	1	1	2	1
Prices						Dollars per cwt					
Choice steers, Omaha 1000-1100 lb.	69.54	73.67	73.85	70.09	72.46	72.52	77.20	74-78	69-75	71-77	72-78
Barrows and gilts, 7-markets	43.39	40.78	41.84	46.07	47.42	44.03	49.45	57-61	56-62	48-54	52-58
Slaughter lambs, Ch., San Angel	68.26	69.29	74.79	66.29	58.90	67.32	59.62	67-71	58-64	54-60	59-65
						Cents per pound					
Broilers, 12-city avg. 4/	56.3	59.4	67.1	59.7	49.8	59.0	56.5	55-59	55-61	46-52	52-58
Turkeys, Eastern region 5/	61.2	62.4	71.1	62.3	71.0	66.7	56.5	58-62	62-68	65-71	59-65
						Cents per dozen					
Eggs New York 6/	62.1	78.4	75.2	81.5	92.6	81.9	87.8	71-75	63-69	63-69	70-76

1/ Projected. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

Factors Affecting Livestock and Poultry

The economy continues to grow at a slower rate than in recent years, which adds some uncertainty to the outlook for livestock and poultry producers faced again with record red meat and poultry output. In addition, an unusual spurt in the rate of inflation in early 1990 raised concerns about continued economic growth.

The gross national product (GNP) is expected to grow between 2.5 and 3 percent in 1990, compared with 3 percent in 1989 and 4.4 in 1988. At the end of 1989, weakness in the automobile industry and reduced investment were offset by growth in exports and services. The rebound in durable good and investment boosted GNP growth in first quarter 1990. However, the principal force for growth in 1990 should be exports, with some help from the service industries.

The early 1990 rise in inflation was due largely to unusually cold weather in December, which induced a runup in food and energy prices. Also, an early spring introduction of the fashion line caused high apparel prices. However, these inflationary pressures should be temporary. Energy prices have declined sharply and food price increases have moderated. Inflation, as measured by the GNP deflator, is expected to rise at about the same rate as in 1989.

The Federal Reserve remains committed to reducing inflation by maintaining a tight monetary policy. Given the first quarter's unusually high inflation rate, interest rates were steady. The prime rate may remain around 10 percent in 1990, down from 10.9 in 1989.

Prospective strong demand for U.S. corn and soybeans is driving up feed costs for livestock and poultry producers. From January to April, central Illinois corn prices rose 34 cents per bushel and soybean meal prices increased $10 per ton. Ending corn stocks in 1989/90 are estimated at 1.33 billion bushels, down nearly one-third from a year ago. Despite a projected 1990 corn crop of 8.1 billion bushels, ending corn stocks are projected to fall further by August 31, 1991. The tighter stock situation will make corn prices especially sensitive to weather conditions and international grain sales during the growing season. U.S. farm corn prices for 1990/91 are expected to average $2.25 to $2.65 per bushel, compared with $2.30 to $2.40 in 1989/90.

Soybean stocks on September 1 are projected at 305 million bushels, up a third from a year ago. Stocks are expected to increase in the 1990/91 marketing year with ending stocks at 355 million bushels. Soybeans and soybean product prices have moved up because of delayed availability of Brazilian soybeans in world trade channels due to internal problems. Soybean meal prices in 1990/91 may average $145 to $175 per ton, down from $173 in 1989/90.

Poultry and Eggs

Production of meat and eggs is expected to increase in 1990, resulting in lower prices. Broiler and turkey production are each expected to be up about 7 percent. Indicators of future production, such as net returns, current laying flock size, and hatchery supply flock size, point toward continued expansion in broilers. However, the increase in total egg production will likely be about 1 percent. Net returns are expected to continue favorable in 1990 but average lower for broiler and egg producers, while turkey producers need a strong fourth quarter to move above breakeven for the year.

Broilers

Broiler Expansion Continues

Broiler production will likely grow about 7 percent in 1990 from the previous year. Heavier average weights of birds slaughtered, up about 1 percent from last year, partially contributed to the 9-percent production increase in the first quarter. Chicks hatched in February and March, and chick placements in April, support the expected increase for the second quarter. Output in the second and third quarters may expand about 7 percent. Increases may slow to around 6 percent in the fourth quarter.

Hatching Egg Flock Increasing

The hatching egg-type flock size is a near-term indicator of broiler production. The flock size shows the potential egg laying capacity to produce broilers for slaughter about 2 1/2 months in the future. The flock was up 6 percent on April 1 from a year earlier, suggesting continued intentions to expand production at least through the third quarter.

Table 2--Federally inspected young chicken slaughter, 1988-90

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	- Million pounds -	
1988:				
I	1,267	4.35	5,511	3,996
II	1,303	4.30	5,611	4,079
III	1,317	4.20	5,530	4,035
IV	1,272	4.36	5,555	4,015
Year	5,159	4.30	22,208	16,124
1989:				
I	1,310	4.35	5,698	4,129
II	1,394	4.33	6,032	4,389
III	1,412	4.29	6,052	4,395
IV	1,383	4.41	6,101	4,420
Year	5,499	4.34	23,882	17,334
1990:				
I 1/	1,412	4.39	6,201	4,495

1/ Preliminary

Table 3--Broilers: Eggs set and chicks placed weekly in 15 commercial States, 1989-90 1/

Period 2/ Month and day 2/	Eggs set 1989	Eggs set 1990	Eggs set Change from previous year	Chicks placed 1989	Chicks placed 1990	Chicks placed Change from previous year
	- - - Thousands - - -		Percent	- - - Thousands - - -		Percent
January:						
6	124,403	129,684	4.2	96,864	105,543	9.0
13	120,643	131,418	8.9	90,045	104,388	5.4
20	123,496	130,653	5.8	99,381	104,199	4.9
27	126,112	130,967	3.9	99,072	104,358	5.3
February:						
3	126,744	130,429	2.9	96,080	105,663	10.0
10	126,765	130,971	3.3	97,707	105,123	7.6
17	127,243	134,086	5.4	99,782	105,027	5.3
24	128,075	135,441	5.8	101,249	105,387	4.1
March:						
3	127,826	136,247	6.6	100,717	105,774	5.0
10	128,265	136,950	6.8	100,747	107,839	7.0
17	128,374	137,032	6.7	102,375	109,535	7.0
24	127,718	136,015	6.5	102,930	110,082	7.0
April:						
1	130,024	138,522	6.5	102,307	111,603	9.1
7	131,186	139,501	6.3	101,915	110,870	8.8
14	131,033	139,877	6.8	102,991	109,818	6.6
21	131,451	139,174	5.9	103,774	111,242	7.2
28	130,914	132,818	1.4	105,073	112,590	7.2

1/ 15 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tenn., Tex., Va., and W. Va.
2/ Weeks in 1990 and corresponding weeks in 1989.

Table 4--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1988-90

Month	Broiler-type chicks 1988	Broiler-type chicks 1989	Broiler-type chicks 1990	Pullet chicks placed in broiler hatchery supply flocks: Monthly placements 1988	Monthly placements 1989	Monthly placements 1990	Cumulative placements 7-14 months earlier 1988	Cumulative placements 1989	Cumulative placements 1990
	Thousands								
January	468,333	482,802	516,289	3,389	3,820	4,238	33,028	31,691	32,889
February	432,813	443,923	472,853	4,038	3,963	4,077	33,254	31,539	33,243
March	483,353	503,506	543,088	4,538	4,396	4,487	32,805	31,470	33,619
April	464,386	494,911		3,831	4,195		32,185	32,043	34,144
May	487,027	524,170		4,197	4,439		32,612	32,136	34,535
June	473,782	510,554		3,818	4,330		32,264	31,194	34,079
July	473,394	513,035		3,611	3,950		31,668	31,513	33,976
August	479,734	510,272		4,048	4,526		31,002	31,136	33,775
September	455,183	485,067		3,962	4,345		30,859	31,281	33,522
October	456,819	484,375		4,131	4,354		31,402	32,066	34,059
November	438,543	469,641		3,596	3,940		31,259	32,213	
December	489,033	522,093		4,150	4,092		31,999	32,690	

Hatchery Supply Flock Larger

Cumulative broiler-type pullet placements in the hatchery supply flock aid in forecasting future expansion. Broiler-type pullet placements of 7-14 months earlier are aggregated to generate the broiler-type hatchery supply flock estimate. The broiler hatchery supply flock for October 1990 is expected to be up 6 percent from a year earlier, reflecting producer intentions for continued growth.

Broiler Prices Lower Than a Year Ago

Although prices are expected to follow seasonal demand patterns, increased production will likely pull 1990 prices below year-earlier levels. The 12-city composite wholesale price is forecast to average 52-58 cents per pound in 1990, below the 59 cents a year ago. Broiler prices were weak in late March and April as expected near Easter when consumer interest centered around hams, turkeys, and eggs. Wholesale prices for the first quarter averaged 56.5 cents per pound, 5 percent below the 59 cents a year ago, while prices in April averaged 55 cents, 13 percent below.

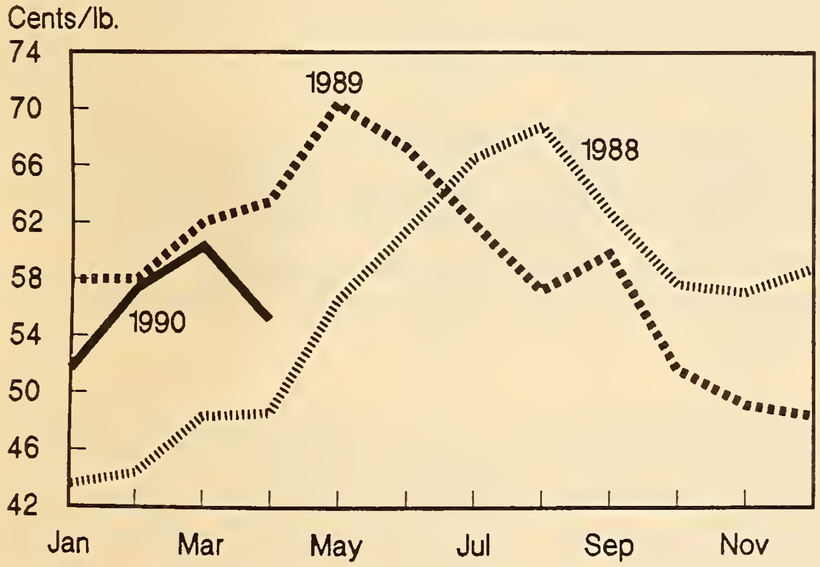
Prices are expected to gain some strength through the late spring and summer months, reflecting typical seasonal demand during the picnic and vacation period, reduced pork supplies, high beef prices, and larger exports. Second-quar-

Table 5--Young chicken prices and price spreads, 1987-90

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
	Cents/lb.												
Farm price 1/:													
1987	31.1	30.0	29.0	29.2	29.9	27.6	27.6	31.7	27.8	25.1	26.3	24.5	28.3
1988	26.8	25.9	27.4	28.3	33.7	37.4	41.5	42.3	39.1	35.7	34.8	35.5	34.0
1989	35.3	35.2	38.7	38.9	45.2	42.6	39.1	36.1	37.1	30.6	29.8	28.6	36.4
1990	30.7	33.5	36.4	33.2									
Wholesale RTC 12-city avg. 2/:													
1987	51.8	49.8	48.5	48.6	50.5	45.5	47.0	52.6	46.4	43.2	44.6	39.8	47.4
1988	43.9	44.9	48.4	48.7	56.6	61.5	66.5	68.9	62.8	57.7	57.1	58.8	56.3
1989	58.0	58.0	62.1	63.5	70.4	67.4	62.0	57.3	59.9	51.7	49.2	48.4	59.0
1990	51.7	57.4	60.4	55.3									
U.S. avg. retail price:													
1987	82.1	83.2	80.4	79.2	78.2	77.1	75.5	78.5	79.3	79.1	75.6	73.6	78.5
1988	74.0	74.5	75.3	76.0	79.6	86.8	93.7	96.1	97.5	93.2	89.2	88.5	85.4
1989	90.5	89.9	91.3	93.2	96.1	98.2	96.4	95.4	94.2	91.0	87.9	88.3	92.7
1990	88.2	89.6	92.8	89.7									
Price spreads retail-to-cons.:													
1987	24.3	26.8	25.2	25.3	21.2	18.7	21.2	20.2	33.1	30.2	25.2	26.1	24.8
1988	23.7	24.4	21.6	20.5	16.5	18.0	22.8	21.9	29.9	28.8	26.7	24.1	23.2
1989	27.3	28.6	24.9	29.4	20.2	25.1	27.7	30.9	29.4	33.1	32.0	33.6	28.5
1990	30.5	27.0	92.8										
	1982-84 = 100												
Retail pr. index wh. chickens:													
1987	119.5	118.7	115.2	113.1	112.9	111.6	109.9	113.9	114.6	113.0	109.2	107.7	113.3
1988	107.9	109.5	110.3	111.6	117.4	125.9	137.4	140.1	142.0	136.0	131.7	131.0	125.1
1989	133.7	133.2	135.6	138.0	142.9	144.7	141.7	140.8	139.1	134.9	130.4	130.4	137.1
1990	131.5	133.6	138.4	134.9									

1/ Liveweight. 2/ 12-city composite weighted average.

Figure 1
Wholesale Broiler Prices



12-city composite.

ter prices will likely average about 55-59 cents per pound, down from 67 cents a year ago, while third-quarter prices could average 55-61 cents, slightly below the 60 cents in 1989. Seasonal demand decreases along with production increases will likely pull prices down to 46-52 cents in the fourth quarter, similar to last year.

Large exports of broilers, mostly leg parts, helped push dark meat wholesale prices higher during the first quarter. Prices rose about 4 percent for whole legs and 8 percent for leg quarters from a year earlier. Expected larger dark meat exports for the rest of the year may keep their prices above a year earlier. However, breast meat prices fell 11 percent during the first quarter, reflecting the decline in the 12-city whole bird price.

First-quarter retail prices for whole fryers were unchanged from a year earlier at about 90 cents per pound, but are expected to fall below last year's prices during the rest of the year. Retail prices are expected to average in the high-80's for the year, compared with 93 cents per pound in 1989.

Broiler Returns Remain Strong

Net returns will likely remain favorable in 1990, but lower prices relative to last year and rising near-term corn costs could limit returns later in the year. Lower corn and soybean meal prices helped offset lower broiler prices as first-quarter net returns were 11 cents per pound, slightly higher than last year. Net returns are expected to be positive during the rest of the year.

Cold Storage Stocks Larger

Cold storage stocks for all chicken have been above year-earlier levels since January. A large volume of leg quarters awaiting shipment to Russia may have been a factor in stock increases. A substantial increase in orders by fast food services for use later in the year, as reported by the industry, may have also contributed to the larger stocks. Stocks on March 31 were a record 250 million pounds, 40 percent above a year ago. Most of the increase was in the other chicken category, which includes any stored chicken that can't be classified as whole broilers or whole mature hens.

Other chicken accounted for 84 percent of the stocks on March 31, while whole broilers and hens accounted for only 13 and 2 percent, respectively.

Broiler Consumption To Increase in 1990

Production estimates, adjusted for expected exports and stock levels, indicate that per capita consumption of broilers will likely increase 6 percent in 1990 to about 70 pounds. This continues the long-term upward trend in per capita consumption, which was 37 pounds in 1970 and 47 pounds in 1980.

Annual Production and Value Up in 1989

The April 1990 *Poultry—Production and Value* prepared by the National Agricultural Statistics Service, indicated that the number of broilers raised during the 1989 marketing year (December 1, 1988-November 30, 1989) reached a record 5.5 billion birds, about 5 percent above the previous year. The liveweight value of production, $8.8 billion, was 18 percent above 1988, reflecting both higher prices and increased production volume.

Arkansas led in broiler production in 1989 with 920 million birds valued at about $1.47 billion. Georgia was second with 812 million at $1.25 billion, followed by Alabama with 750 million at $1.13 billion.

Broiler Exports Up Sharply

Broiler exports are expected to rise about 25 percent in 1990 as the USSR will likely purchase large quantities of low-priced leg quarters. Exports were up 46 percent during January and February 1990. The USSR is expected to import about 260 million pounds, likely surpassing Japan as the leading export market for U.S. broilers.

Figure 2

Poult Placements During the Month

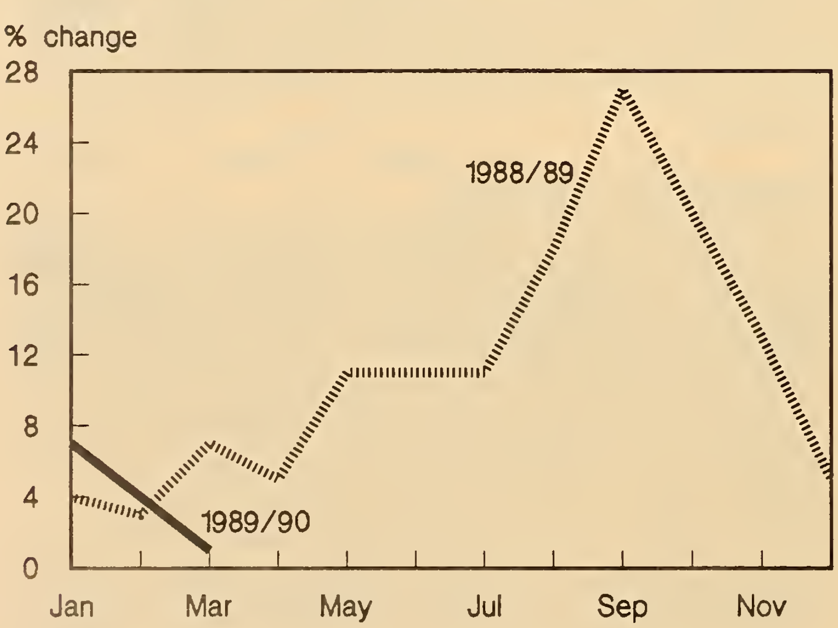


Table 6--Broilers: Production and value, 1980-89 1/

Year	Produced: Number	Produced: Pounds	Price/lb.	Value sale
	- - Thousands - -		Cents	1,000 dollars
1980	3,963,211	15,538,573	27.7	4,302,818
1981	4,147,521	16,519,568	28.4	4,699,379
1982	4,148,970	16,759,860	26.9	4,502,214
1983	4,183,660	17,037,998	28.6	4,872,707
1984	4,283,020	17,861,023	33.7	6,020,066
1985	4,469,578	18,809,938	30.1	5,668,272
1986	4,648,520	19,661,110	34.5	6,784,088
1987	5,003,560	21,523,356	28.7	6,177,127
1988	5,237,901	22,464,480	33.1	7,435,105
1989 2/	5,518,133	23,984,837	36.6	8,779,882

1/ Data reported on December-November marketing year.
2/ Preliminary.

Table 7--Nonbroiler chickens: Production and value of sales, 1980-89 1/

Year	Sales: Number	Sales: Pounds	Price/lb.	Value of sales
	1,000 head	Thousands	Cents	$1,000
1980	238,495	1,167,017	11.0	128,268
1981	238,576	1,187,255	11.1	132,271
1982	242,027	1,158,703	10.3	118,915
1983	236,710	1,158,551	12.7	147,454
1984	224,829	1,066,652	15.9	169,526
1985	220,395	1,025,146	14.8	151,682
1986	218,238	1,025,716	12.5	127,730
1987	217,688	1,018,400	11.0	111,827
1988	224,458	1,038,817	9.2	95,294
1989 2/	198,978	937,156	14.9	139,943

1/ Data reported on December-November marketing year.
2/ Preliminary.

The large sales to the USSR will boost the U.S. share of world poultry meat exports to nearly 20 percent, up from a low of less than 13 percent in the mid-1980's. The proportion of U.S. broiler meat production exported in 1990 is expected to increase to near the record of 6 percent achieved in 1981.

Broiler exports are also expected to increase during 1990 to Japan, Canada, and Hong Kong, and likely hold steady to Mexico. Sales under the Export Enhancement Program (EEP) were relatively low in 1989 at about 22 million pounds and are not expected to play a large role this year.

Outlook for Major U.S. Markets

The Soviet Union

Proposed economic reforms and new relationships between the USSR and its East European neighbors, and improved relations between the United States and the USSR have apparently raised expectations of higher poultry meat consumption in these countries. The USSR began increasing poultry imports when its production slowed to less than a 2-percent growth during 1988 and 1989. The USSR has

Table 8--Commercial broilers and turkeys: Number produced or raised by States and regions, by years, 1986-89 1/

State and region	Commercial broilers produced 1/ 2/				Turkeys raised, all breeds 3/ 4/			
	1986	1987	1988	1989	1986	1987	1988	1989
	Thousands							
Connecticut					40	30	30	30
Maine	5/	5/	5/	5/				
Massachusetts					145	140	150	150
New Hampshire					26	26	26	26
New Jersey					100	115	100	100
New York	2,000	2,100	2,500	3,300	343	448	343	400
Pennsylvania	101,907	115,635	126,900	127,700	7,800	8,000	7,900	8,400
Rhode Island								
Vermont								
North Atlantic	103,907	117,735	129,400	131,000	8,454	8,759	8,549	9,106
Illinois					347	698	1,700	3,280
Indiana	5/	5/	5/	5/	9,370	13,000	13,200	13,200
Michigan	600	675	770	760	2,700	3,000	3,000	4,200
Ohio	8,900	14,000	14,500	16,000	3,100	3,400	3,600	4,100
Wisconsin	11,600	13,200	13,100	11,600	6,128	5,450	5/	5/
East North Central	21,100	27,875	28,370	28,360	21,645	25,548	21,500	24,780
Iowa	2,650	2,600	2,900	4,000	7,000	8,500	7,800	7,600
Kansas					150	231	227	324
Minnesota	29,700	31,700	33,100	38,200	34,200	40,500	38,500	43,100
Missouri	44,900	50,400	54,500	70,100	13,500	15,500	16,500	17,250
Nebraska	832	1,074	1,129	2,150	1,437	1,942	1,770	1,670
North Dakota	5/	5/	5/	5/	1,000	1,240	1,150	1,180
South Dakota	5/	5/	5/	5/	1,968	2,376	2,370	2,200
West North Central	78,082	85,774	91,629	114,450	59,255	70,289	68,317	73,324
Delaware	196,783	209,818	217,455	226,415	7/ 125	7/ 133	7/ 135	7/ 100
Florida	111,884	116,980	123,198	123,562				
Georgia	697,364	733,417	772,825	811,964	2,426	2,432	2,400	1,900
Maryland	263,885	264,196	252,400	257,766				
North Carolina	450,500	477,700	500,100	523,000	39,100	48,350	47,900	52,200
South Carolina	63,801	68,051	70,832	76,905	3,900	3,950	5,570	5,360
Virginia	154,156	154,036	175,748	182,371	14,307	16,200	16,300	16,600
West Virginia	29,010	32,770	35,166	35,348	2,220	2,400	2,300	2,870
South Atlantic	1,967,383	2,056,968	2,147,724	2,237,331	62,078	73,465	74,605	79,030
Alabama	587,563	666,538	702,784	750,074				
Arkansas	786,779	878,574	896,832	920,498	16,500	18,000	18,000	19,800
Kentucky	3,012	2,894	2,704	2,272				
Louisiana	5/	5/	5/	5/				
Mississippi	335,704	343,395	360,971	387,336				
Oklahoma	79,500	90,600	120,900	135,100	5/	5/	5/	5/
Tennessee	80,000	89,500	87,000	99,300				
Texas	238,600	259,000	266,300	291,600	5/	5/	5/	5/
South Central	2,111,158	2,330,501	2,437,491	2,586,180	16,500	18,000	18,000	19,800
Alaska								
Arizona								
California	184,832	196,120	212,199	222,382	21,199	25,500	26,500	29,000
Colorado					5/	5/	5/	5/
Hawaii	2,288	2,311	2,261	2,249				
Idaho								
Montana								
Nevada								
New Mexico								
Oregon	17,000	18,000	17,300	20,000	1,510	1,830	1,800	2,400
Utah					3,390	3,731	3,900	3,590
Washington	25,100	26,800	28,200	30,500				
Wyoming								
West	229,220	243,231	259,960	275,131	26,800	31,061	32,200	34,990
Other States 5/	137,670	141,476	143,327	145,681	12,500	13,316	19,250	19,200
United States 6/	4,648,520	5,003,560	5,237,901	5,518,133	207,23	240,438	242,421	260,230

1/ Includes productio nof other meat-type breeds. 2/ December 1 through November 30 marketing year. 3/ Does not include young turkeys lost; based on turkeys hatched September 1 of previous year through August 31, of the current year. 4/ Calendar year. 5/ Combined to avoid disclosing individual operations. 6/ Excludes States producing less than 500,000 birds. 7/ Maryland and Delaware combined.

opened its large import market to competition among major world suppliers, including the United States, France, and Brazil. Sales have already been made for U.S. exports of about 151 million pounds of leg quarters during the first half of 1990 and 110 million pounds during the third quarter. More sales may be made for the fourth quarter. France exported

Table 9--U.S. broiler exports to major importers, January-February, 1989-1990

Country or area	1989	1990
	1,000 lb.	
U.S.S.R.	0	37,472
Japan	32,305	36,118
Hong Kong	25,040	27,257
Mexico	12,986	14,662
Canada	5,284	12,562
Sinapore	10,959	8,034
Jamaica	10,983	4,792
Spain	1,182	3,135
Saudi Arabia	926	2,794
Peru	0	2,377
Antigua	1,317	2,074
United Arab Emirates	515	1,423
Other	15,799	18,785
Grand Total	117,296	171,485

Table 10--U.S. mature chicken exports to major importers, January-February, 1989-1990

Country or area	1989	1990
	1,000 lb.	
Canada	143	1,410
Netherlands Antilles	852	830
St. Lucia	461	696
Antigua	224	465
Mexico	521	337
St. Vincent	41	229
Dominica	85	149
St. Christ-Nevis	208	138
Trinidad	0	126
Bahamas	33	124
Japan	75	103
Other	899	667
Grand Total	3,542	5,274

34 million pounds of whole birds to the USSR in 1989 and more is likely in 1990. In February, Brazil agreed to sell about 80 million pounds of whole birds.

Until late 1989, most of the USSR's poultry meat imports came from Hungary, using barter rather than paying hard currency. However, recent changes have shifted USSR imports from Hungary to other sources, at least in the short run. Hungary is a major poultry producer, and normally sends about 50 percent of its poultry exports to the USSR. However, it is currently trying to export more to markets paying in hard currency, and has reduced exports to the USSR. If these efforts in other markets are not successful, Hungary could resume sales to the USSR and reduce opportunities for other suppliers.

Per capita consumption of broiler meat in Russia was estimated at 15 pounds in 1989, about the same as in Poland and West Germany, but lower than in several East European countries. Poultry meat consumption makes up 18 percent of total meats in the USSR, compared with 34 percent in the United States.

The USSR has been increasing poultry production and eventually hopes to reduce imports. However, both feeding and breeding require improvement and time. Therefore, if the present Soviet policy of increasing meat consumption is continued, the USSR could be a major importer for many years. Import levels may depend on hard currency and credit availabilities, and on the effectiveness of the demand for more meat.

Japan

U.S. broiler exports to Japan are likely to increase to about 240 million pounds during 1990 as Japanese per capita consumption (29 pounds in 1989) edges higher. With the yen strengthening in early 1990 and Thailand expanding production rapidly, the United States faces a challenge to maintain its large market share, averaging 42 percent during 1987-1989. However, lower U.S. prices for dark meat parts have proven advantageous. For example, Japanese retail prices for bone-in legs were $2.16 per pound in late 1989, while U.S. retail prices were $1.14. Thailand has gained Japanese import market share with its labor-intensive deboned chicken.

Hong Kong

Hong Kong has been the second major broiler market for the United States since the mid-1980's and it is expected to grow in 1990. Hong Kong's production is small and declining, in response to anti-pollution measures, while its imports continue to grow steadily. Per capita consumption of broilers, one of the world's highest at 55 pounds, is growing. Fast food outlets and many restaurants are using more frozen poultry. The United States provides nearly one-half of frozen imports, by competitive pricing. Fresh poultry still makes up slightly over 50 percent of consumption, and live poultry, mainly from China, makes up 32 percent of total poultry meat imports. Re-exports, mainly of wing tips and feet to China, have also been growing.

Mexico

Mexican poultry meat imports from the United States could decline in 1990 because import licenses and tariffs have been reimposed. Mexico was the third largest market for the United States during 1988 and 1989 when it increased poultry imports and removed some protection from its domestic poultry industry to temper food price inflation. Mexican production has increased sharply since 1987, and per capita consumption rose to about 18 pounds in 1989. However, if prices increase sharply in 1990, the Mexican Government could again lower import restraints, and U.S. exports would gain.

In the longer term, the Mexican market will likely continue to grow. The Government has indicated its intention to open the market to international competition by the end of 1991.

Canada

Canadian imports of broiler meat, virtually all from the United States, have been increasing regularly since 1985 and

are expected to do so again in 1990 because consumption is growing rapidly. Quotas on imports and production are maintained by the Canadian Chicken Marketing Agency (CCMA) under the Canadian supply control program, in order to hold domestic producer prices relatively high. As an example, the 1989 production target was set slightly below that of 1988 and per capita consumption, which had been rising, held at about 49 pounds.

For 1990, the CCMA set an initial growth target of nearly 5 percent. However, during the first quarter many producers did not respond, and with consumer prices rising sharply, increased imports were allowed. Generally lower prices in the United States encourage Canadian import growth despite the control program.

The U.S.-Canada Free Trade Agreement (FTA) provided for an increase of 19 percent in Canada's global import quota for chicken meat, to 7.5 percent of the previous year's production. Supplementary quotas are granted at the discretion of the Canadian Government. In addition, tariffs are being phased out over a 10-year period. For 1990, the import tariff has already been cut 20 percent to a 9.6 percent rate.

Turkeys

Turkey Production Growth Slowing

First-quarter turkey production was up 22 percent from a year earlier. However, poult placements for slaughter, which are lower than the high levels of last fall, indicate that second-quarter slaughter will rise about 8 percent. Third-quarter growth is estimated to be about 2 percent. Poor returns since last August have resulted in the slower growth. Fourth-quarter production is expected to be little changed from last year. Production for the year is expected to increase about 7 percent. Revisions indicate that 1989 total production grew by nearly 8 percent.

Figure 3
Wholesale Turkey Prices

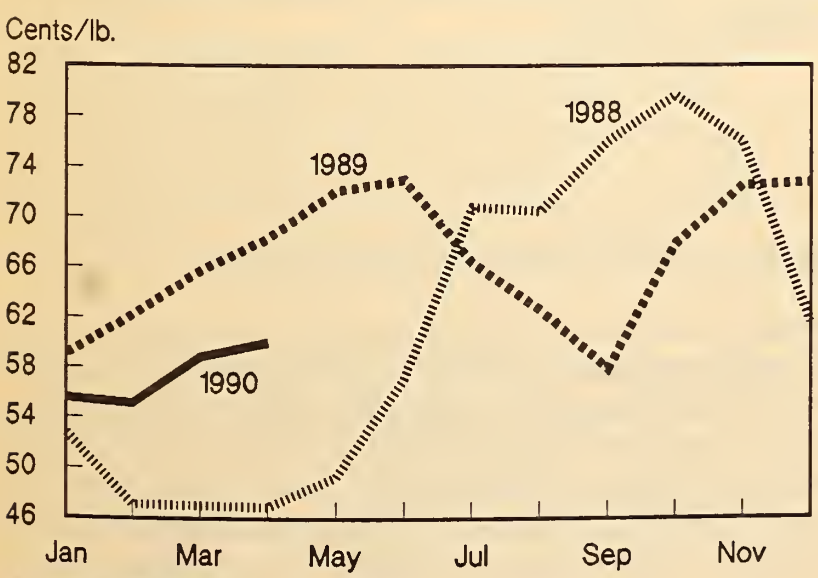


Table 11--Federally inspected turkey slaughter, 1988-90

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	- Million pounds -	
1988				
I	50.3	21.0	1,054.0	836.6
II	60.0	20.6	1,236.3	981.1
III	65.7	20.4	1,343.3	1,065.6
IV	61.4	21.4	1,314.2	1,040.1
Year	237.4	20.9	4,947.7	3,923.4
1989				
I	47.9	21.2	1,012.0	803.5
II	61.8	20.7	1,279.1	1,014.3
III	72.4	20.5	1,483.0	1,176.4
IV	69.6	21.5	1,492.4	1,180.6
Year	251.7	21.0	5,266.5	4,174.8
1990				
I 1/	57.2	21.7	1,240.2	983.4

1/ Preliminary.

Table 12--Turkey hatchery operations, 1987-90 1/

	Total turkeys placed 2/			Eggs in incubators first of month, changes from previous year		
	1987-88	1988-89 3/	1989-90	1987-88	1988-89	1989-1990
	- - - Thousands - - -			- - - Percent - - -		
Sept.	15,024	15,725	19,900	16	7	27
Oct.	16,743	16,821	20,169	18	5	25
Nov.	17,714	18,413	20,733	21	4	14
Dec.	19,956	20,444	21,511	15	6	14
Jan.	22,315	23,183	24,702	9	2	9
Feb.	23,100	23,842	24,870	8	6	7
Mar.	25,101	26,959	27,286	3	5	1
Apr.	24,718	25,973	28,904	-1	8	6
May	25,559	28,369		-5	10	5
June	26,075	29,039		-3	12	
July	23,677	26,329		-5	16	
Aug.	19,458	23,002		-5	22	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults. 3/ Includes revised calendar year 1988 numbers.

Cold Storage Stocks Up

Turkey stocks on March 31, at 317 million pounds, were 18 percent above a year earlier but not as high as in 1988 when first-quarter production grew even faster than this year but second-half production declined. This stock buildup may slow seasonal price increases later in the year but prices are expected to rise, given slower production growth forecast for the second half. Stock buildup may moderate, and beginning fourth-quarter stocks are estimated at about 575 million pounds.

Stocks rose during the first quarter, reflecting retailer purchases at low wholesale prices for use later in 1990. Apparently cut-up and further processing use did not fully absorb the large increase in production, and turkey parts stocks of 138 million pounds were a record for March 31.

Prices Expected To Rise

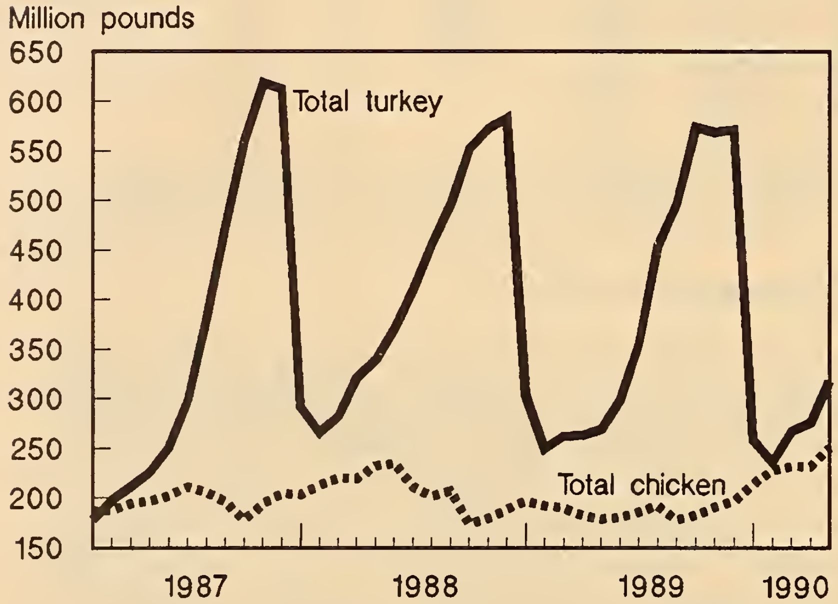
Prices for Eastern region hens, wholesale, are expected to rise during the second, third, and fourth quarters to about 58-62 cents, 62-68 cents, and 65-71 cents, respectively, as output growth slows. Turkey prices are also expected to benefit

Table 13--Turkey prices and price spreads, 1987-90

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
							Cents/lb.						
Farm price 1/:													
1987	35.1	35.8	35.7	36.3	35.5	34.1	33.5	32.1	31.3	30.2	34.0	38.4	34.3
1988	32.3	29.7	28.4	28.4	29.8	32.1	40.4	42.0	45.4	48.4	47.9	38.3	37.3
1989	35.4	38.3	40.0	42.3	43.4	44.0	41.5	41.3	37.3	38.5	40.9	39.6	40.2
1990	35.9	33.7	37.2	37.0									
New York, hens, 8-16 lbs 2/:													
1987	55.3	58.5	60.3	58.3	55.3	55.7	56.3	56.1	56.1	54.7	60.7	66.5	57.8
1988	52.8	47.1	47.0	46.9	49.3	57.1	70.8	70.5	76.0	79.6	76.0	61.6	61.1
1989	59.0	62.2	65.7	68.3	72.1	73.0	66.4	62.6	57.9	67.8	72.5	72.7	66.7
1990	55.6	55.2	58.9	59.6									
4-region average retail price, wholebirds:													
1987	103.6	103.2	103.0	100.4	102.8	105.1	105.8	105.1	103.3	102.6	90.0	89.3	101.2
1988	93.1	92.9	91.0	89.4	92.9	92.9	96.0	99.5	100.6	104.0	99.2	97.1	95.7
1989	97.4	96.8	97.6	98.3	100.1	101.3	104.6	104.1	102.0	102.2	93.2	95.0	99.4
1990	98.9	98.3	99.4	97.1									
Price spreads, retail-to-consumer:													
1987	39.8	37.4	35.4	33.4	37.3	40.1	41.1	41.8	39.0	38.3	22.0	13.5	34.9
1988	29.8	35.0	33.4	33.0	35.1	24.6	23.7	21.0	17.3	16.5	14.7	26.7	25.9
1989	29.8	29.9	25.7	23.2	20.7	20.7	30.2	32.3	34.2	28.9	13.4	15.4	25.4
1990	33.7	33.7	32.7										
							1982-84 = 100						
Consumer pr. index 3/:													
1987	113.3	111.6	112.0	109.6	111.6	111.8	112.1	111.6	109.4	109.2	103.5	103.9	110.0
1988	107.7	107.2	107.2	107.5	108.3	109.3	109.8	112.4	114.2	115.5	113.1	113.3	110.5
1989	114.2	116.3	118.7	121.5	123.2	124.1	126.0	124.6	124.4	123.2	119.2	121.1	121.4
1990	123.9	124.2	124.6	123.4									

1/ Liveweight. 2/ Wholesale, ready-to-cook. 3/ Other poultry CPI.

Figure 4
Cold Storage Stocks of Chicken and Turkey



from relatively high pork prices. For the year, wholesale turkey prices are expected to average 59-65 cents, compared with 67 cents during 1989. Prices fell as production surged during the first quarter. Eastern region hens averaged 56.5 cents per pound, compared with 62 cents a year earlier.

Retail prices for whole frozen turkey, despite lower wholesale prices, were slightly above a year earlier, at 99 cents per pound during the first quarter. While retail prices are expected to increase during the second and third quarters, they may be slightly below year-earlier levels. For the year, retail prices may average 97-103 cents per pound, about the same as 1989's 99 cents.

Net Returns To Improve

With turkey prices expected to strengthen during the second quarter, net returns could improve to near the breakeven point. With further price strength expected in the second half and feed costs expected to be near last year (corn price increases balanced by lower meal prices), returns above breakeven are indicated. Third- and fourth-quarter returns could be positive if production growth slows as projected.

Reflecting large production increases during the last three quarters, estimated turkey producers' net returns have remained negative since last August, except for November and December. During the first quarter of this year, net returns at nearly a negative 7 cents per pound, were about identical with a year earlier despite feed costs being 17 percent lower. These continuing poor returns have led to the production slowdown.

Per Capita Consumption Increases Continue

Per capita turkey consumption is expected to increase to about 18 pounds during 1990, or about 5 percent above last year. Largest increases are expected in the first half as consumption responds to the production increase. Conversely, second-half per capita consumption may not change much from last year, but the actual level will depend heavily on the production reached, together with the level of ending stocks.

Table 14--Poultry and eggs costs and returns, 1989-90 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
			Market eggs (cents/doz)		
1989:					
I	32.8	51.0	71.5	82.8	11.3
II	32.2	50.4	70.9	76.1	5.2
III	31.0	49.2	69.7	85.2	15.5
IV	28.3	47.0	67.0	96.1	28.6
Year	31.2	49.4	69.9	85.1	15.2
1990:					
I	27.6	45.9	66.3	90.8	24.4
II					
III					
IV					
Year					
			Broilers (cents/lb)		
1989:					
I	19.1	27.1	50.6	59.5	8.9
II	18.6	26.6	49.9	67.3	17.4
III	18.2	26.2	49.4	59.6	10.2
IV	16.8	24.8	47.5	49.8	2.3
Year	18.2	26.2	49.4	59.0	9.7
1990:	15.7	23.7	46.0	56.5	10.5
I					
II					
III					
IV					
Year					
			Turkeys (cents/lb)		
1989:					
I	27.9	41.6	68.3	61.6	-6.7
II	27.5	41.2	67.8	71.3	3.5
III	26.4	40.1	66.4	64.5	-1.9
IV	25.4	39.1	65.2	66.0	0.8
Year	26.7	40.4	66.8	66.0	-0.8
1990:					
I	23.1	36.8	62.3	55.6	-6.8
II					
III					
IV					
Year					

1/ Estimated costs and prices are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ 12-metro area egg, 12 city composite broiler prices; 8-16 lb young hens and 14-22 lb toms in Central, Western, and Eastern Regions.

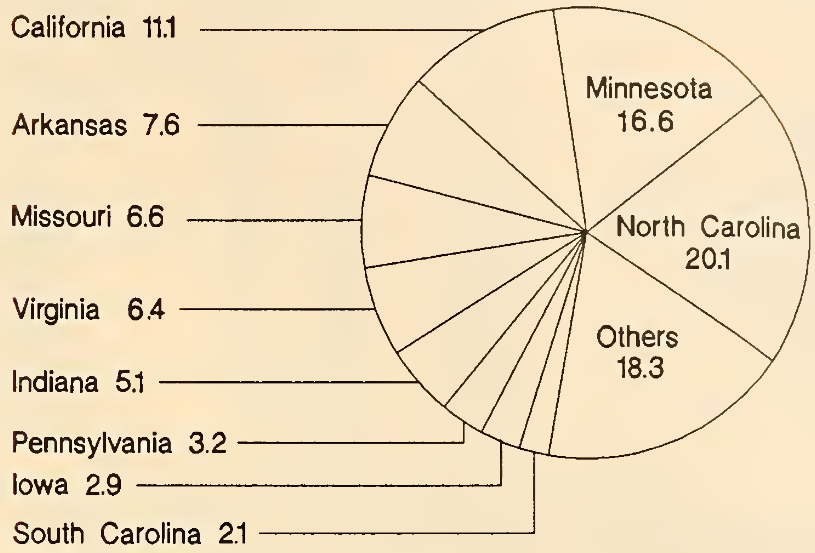
Production and Value

The recently released *Poultry—Production and Value* indicated that the 260 million turkeys raised in 1989 were up over 7 percent from 1988. Liveweight production rose by almost 8 percent to nearly 5.5 billion pounds. Average producer prices were 6-7 percent higher, and the total value of production was about 15 percent higher at $2.2 billion.

The top turkey producing States continued to be North Carolina, Minnesota, and California. Their combined production represented nearly 48 percent of the total, compared with nearly 47 percent in 1988. North Carolina raised 52 million birds, with production valued at $407 million. Minnesota raised 43 million valued at $290 million while California raised 29 million valued at $249 million.

Figure 5

Ten Leading Turkey Producing States



Share of total production, 1989.

Turkey Exports Rising

Turkey exports in early 1990 were about 30 percent ahead of last year, but for the year are expected to rise about 20 percent. Turkey parts made up 78 percent of total exports, identical to that for 1989 overall.

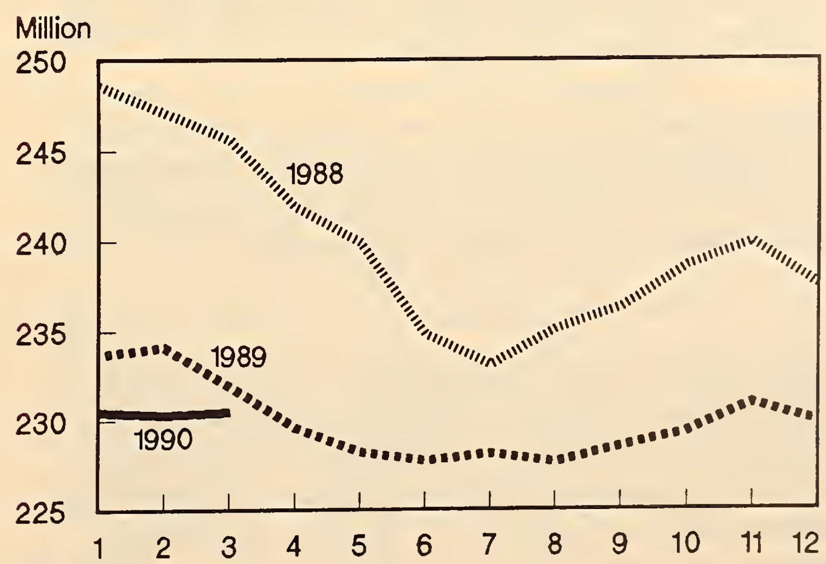
Table 15--Turkeys: Production and value, 1980-89

Year	Number raised	Pounds produced	Price/lb.	Value of sales
	- - Thousands	- -	Cents	$1,000
1980	165,243	3,076,858	41.3	1,271,637
1981	170,875	3,264,463	38.2	1,247,803
1982	165,464	3,175,060	39.5	1,254,700
1983	170,723	3,335,519	38.0	1,269,051
1984	171,296	3,384,393	48.9	1,654,862
1985	185,427	3,703,994	49.1	1,819,526
1986	207,232	4,147,168	47.0	1,951,087
1987	240,438	4,894,858	34.8	1,703,137
1988	242,421	5,059,056	38.6	1,951,349
1989 1/	260,230	5,453,923	41.1	2,239,058

1/ Preliminary.

Figure 6

Table Egg Flock Size



First of the month.

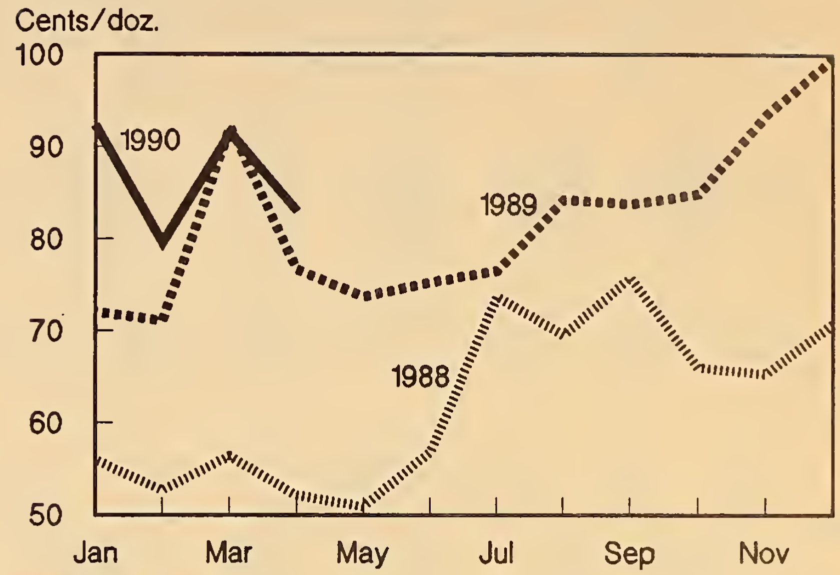
Table 16--U.S. turkey exports to major importers, January-February, 1989-1990

Country or area	1989	1990
	1,000 lb.	
West Germany	87	1,342
Mexico	1,702	1,267
Japan	154	420
Western Somoa	411	418
Canada	535	414
St. Vincent	82	311
Hong Kong	407	261
Grenada	79	229
Netherlands	0	220
South Africa	109	195
Greece	0	166
Other	1,621	1,542
Grand Total	5,187	6,785

The biggest change in turkey exports this year is the re-entry of West Germany as a major importer, as a tariff issue with the EC has been partially resolved. West Germany had been a leading market in 1988, following Egypt and Mexico, but imported only 750,000 pounds in 1989. Mexico, Canada, and the Pacific countries, including Japan, are expected to remain major markets in 1990.

Lower U.S. turkey prices in the first half of this year have helped exports. From January through April, wholesale prices in the Northeast for drumsticks averaged about 28 cents a pound, compared with about 36 cents in 1989. Wings were also lower priced, averaging about 30 cents in early 1989, compared with 21 cents this year.

Figure 7
Wholesale Egg Prices



Grade A large, New York.

Table 17--Layers on farms and eggs produced, 1988-89 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1989	1990 2/	1989	1990 2/	1989	1990 2/
	- Million -		- Number -		Million dozen	
I	272	271	61.4	61.2	1,394.4	1,385.2
II	268		63.4		1,417.1	
III	266		62.8		1,393.2	
IV	268		62.0		1,386.9	
Annual	269		249.6		5,591.6	

1/ Marketing year beginning December 1. 2/ Preliminary.

Eggs

Egg Production Increase Expected

The anticipated turnaround in egg production, following the relatively high returns in 1989, is showing up in the latest production numbers. First-quarter total egg production, 1.39 billion dozen, was slightly above a year earlier. While first-quarter table egg production, 1.2 billion dozen, was less than 1 percent below a year ago, production in March was about 1 percent above a year earlier. March was the first year-over-year increase since February 1988.

Table egg production in the second, third, and fourth quarters is expected to increase 1, 1, and 2 percent, respectively, compared with last year. Annual production of eggs likely will be up about 1 percent above a year earlier.

Increased Flock Size Likely

Egg producers may be increasing flock size in response to relatively high prices and net returns. The table egg-type flock on April 1, at nearly 231 million hens, was slightly above a year earlier, the first time in many months that flock size exceeded year-earlier levels. However, slaughter of light type fowl during the second half of April was up sharply from last year. Given these offsetting actions, it remains uncertain as to how strong the increase in flock size will be.

Egg-Type Hatchery Supply Flock

Estimates of the egg-type hatchery supply flock size are a longer term indicator of egg production expansion plans and represent the cumulative egg-type pullet chick placements 7-18 months earlier. Pullets placed in hatchery supply flocks varied widely during 1989 and early 1990, indicating some variability in the projected supply flock numbers for 1990.

Egg-type pullet chick placements for hatchery supply flocks have weakened since the third quarter of 1989 when they were up 10 percent from a year earlier. In the fourth quarter, they were unchanged from a year earlier, and in the first quarter of 1990 placements were down 4 percent from a year earlier. Therefore, estimates of this fall's hatchery supply flock are down compared with last year. Producers are generally cautious concerning long-run expansion plans.

Prices Lower

The anticipated production increases have pushed egg prices below year-earlier levels since late April. First-quarter New

Table 18--Force moltings and light-type hen slaughter, 1988-90

Month	Force molted layers 1/ Being molted 1988 2/	1989 2/	1990 3/	Molt completed 1988 2/	1989 2/	1990 3/	Light-type hens slaughtered under Federal inspection (Number) 1988	1989	1990
	Percent						Thousands		
January	3.8	4.1	3.0	20.8	23.9	21.5	13,574	12,221	11,500
February	5.0	4.9	5.5	20.3	21.5	20.9	14,647	11,819	9,739
March	3.8	4.3	4.1	20.5	21.7	21.7	15,312	13,645	11,586
April	3.9	3.9	1.9	19.3	21.5	22.0	15,034	10,528	
May	5.9	5.3		18.6	21.4		14,107	11,868	
June	7.6	5.6		19.9	21.7		13,157	10,316	
July	6.0	4.8		21.2	21.6		8,601	10,194	
August	4.3	4.0		22.4	22.7		10,555	10,871	
September	4.3	3.8		22.4	22.9		9,119	10,777	
October	4.5	4.3		22.3	22.9		10,136	10,459	
November	3.9	4.6		22.6	23.5		11,092	9,255	
December	3.5	2.7		24.1	23.9		13,444	11,307	

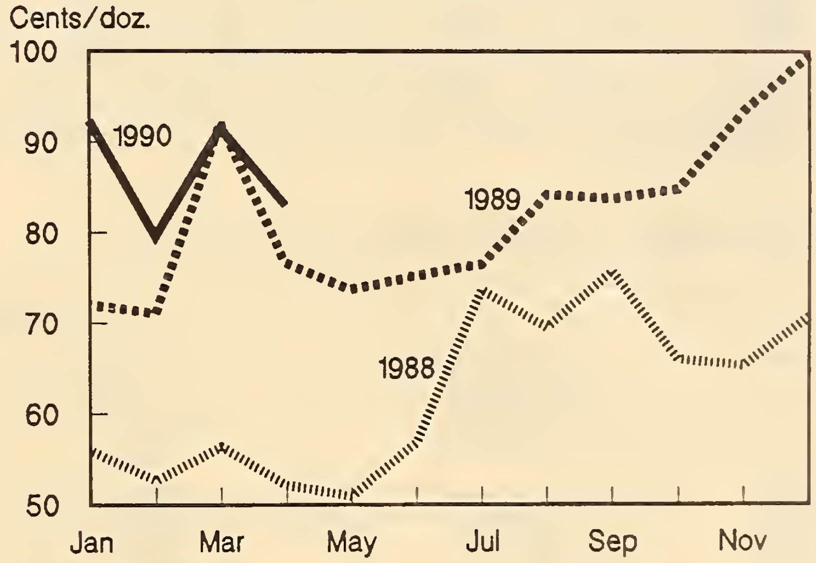
1/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service. 2/ Percent of hens and pullets of laying age in 15 selected States. 3/ Percent of hens and pullets of laying age in 20 selected states.

Table 19--Egg-type chick hatchery operations, 1988-1990

Month	Hatch 1988	1989	1990	Eggs in incubators 1/ 1988	1989	1990
	Thousands			Percent		
Jan.	29,274	26,655	32,048	-4	-20	28
Feb.	28,433	27,365	32,248	24	2	23
Mar.	35,615	32,577	36,407	-17	-15	26
Apr.	34,749	36,133		-16	4	6
May	35,984	38,513		-17	1	
June	33,049	34,707		-6	-2	
July	24,876	29,814		-24	17	
Aug.	27,838	32,817		-23	17	
Sept.	30,918	32,850		-15	3	
Oct.	31,007	33,298		-11	6	
Nov.	27,181	29,662		1	-4	
Dec.	27,311	29,284		-11	11	

1/ First of the month percent change from pervious year.

Figure 8
Wholesale Egg Prices



Grade A large, New York.

York wholesale prices averaged nearly 88 cents per dozen, about 10 cents higher than a year ago. But the Easter advance ended early this year and prices have been weakening since mid-March. Second-quarter prices are expected to average 71-75 cents per dozen, compared with 75 cents last year. Increased production in the second half will likely hold prices below last year. Annual prices may average 70-76 cents, down about 11 percent from 1989.

Retail prices for eggs peaked in the first quarter at $1.13 per dozen, a near-record, compared with 95 cents a year earlier. Prices in the second quarter could average about 92 cents per dozen, slightly below last year. They are expected to drop further in the second half, to the mid-80 cents, and average 91-97 cents for the year, compared with $1.00 last year.

Net Returns Continue Positive

Estimated net returns continued at near-record levels during the first quarter at about 24 cents per dozen, more than double those a year ago. Egg prices remained high while feed costs dropped to the lowest level since early 1988.

Second-quarter returns are estimated at 6-8 cents per dozen, still above a year earlier. However, returns during the second half will be near breakeven. Annual 1990 net returns may average 6-8 cents per dozen, compared with 15 cents during 1989 and a negative 5 cents during 1988.

California Remains the Leading Egg Producer

The April 1990 *Poultry—Production and Value* reported U.S. total egg production of 5.59 billion dozen during the 1988/89 marketing year (December 1988-November 1989), down nearly 4 percent from the previous year. However, the value of production increased almost 26 percent, from $3.1 billion to $3.9 billion, second only to the $4.1-billion record of 1984. The average price received was up over 30 percent to 69 cents per dozen. California remained the leading State, producing about 11 percent of the total. Other top egg-producing States were Indiana, Pennsylvania, Ohio, and Georgia.

Table 20--Egg prices and price spreads, 1987-90

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
	Cents/doz.												
Farm price 1/:													
1987	51.7	50.1	46.0	45.8	39.5	40.3	40.8	40.5	49.7	40.9	45.4	38.7	44.1
1988	39.1	36.9	40.0	35.8	33.0	36.3	49.5	50.1	56.0	50.6	51.7	52.4	44.3
1989	56.2	53.7	74.5	58.1	54.3	55.6	56.6	64.2	64.4	64.2	72.8	77.6	62.7
1990	78.8	63.1	73.1	64.2									
New York (cartoned) Grade A, large 2/:													
1987	67.1	65.2	62.0	62.4	55.6	58.7	59.1	63.2	68.3	60.2	60.5	56.9	61.6
1988	55.9	52.7	56.4	52.1	50.9	56.8	73.6	69.5	75.6	66.0	65.3	70.4	62.1
1989	72.0	71.0	92.2	76.6	73.7	75.2	76.5	84.2	83.8	84.8	93.4	99.6	82.0
1990	92.4	79.6	91.5	82.4									
4-Region average, Grade A, large retail price													
1987	86.2	82.3	80.0	78.6	76.3	71.1	76.3	73.0	83.7	77.8	80.5	73.1	78.3
1988	76.0	71.8	74.0	71.9	67.8	70.5	80.3	90.9	87.4	89.6	83.9	83.3	79.0
1989	94.1	89.0	103.1	99.7	95.6	93.7	96.1	98.3	103.8	102.3	108.0	113.7	99.8
1990	122.3	104.1	111.1	109.2									
Price spreads, retail-to-consumer:													
1987	17.4	14.5	16.5	15.3	20.8	12.7	16.4	15.7	13.6	18.4	18.4	15.4	16.3
1988	19.0	18.2	14.9	20.0	16.5	13.0	7.0	20.5	11.2	22.0	16.0	10.1	15.7
1989	18.2	18.6	10.2	23.1	21.2	17.2	18.3	12.1	16.7	16.0	12.3	12.7	16.4
1990	26.7	22.1	16.8										
	1982-84 = 100												
Consumer pr. index:													
1987	100.8	97.8	93.9	91.1	88.5	84.1	87.8	85.8	97.6	91.4	93.9	85.5	91.5
1988	90.1	85.5	87.9	85.0	81.8	83.6	95.1	104.2	103.1	105.5	101.2	99.6	93.6
1989	112.0	106.1	122.9	117.6	112.6	110.6	112.8	115.2	124.6	122.9	129.4	134.9	118.5
1990	143.9	124.7	131.6	130.3									

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982. 2/ Price to volume buyers.

Table 21--Eggs: Production and value, 1980-89 1/

Year	Average layers on hand during the year	Produced: Per layer on hand during year	Produced: Total	Price /doz.	Value of production
	Thousands	Number	Millions	Cents	$1,000
1980	287,705	242	69,686	56.3	3,267,563
1981	287,774	243	69,825	63.1	3,671,143
1982	286,369	244	69,718	59.5	3,458,873
1983	276,263	247	68,169	61.1	3,469,368
1984	278,022	245	68,222	72.3	4,110,438
1985	276,680	247	68,445	57.2	3,262,260
1986	276,255	248	69,106	61.5	3,543,295
1987	280,564	248	70,356	54.7	3,209,327
1988	277,729	250	69,655	52.8	3,066,739
1989 2/	268,763	250	67,100	68.9	3,853,999

1/ Data cover both farm and commercial flocks. Data reported on December-November marketing year. 2/ Preliminary.

Table 22--Eggs and poultry: Value of production, 1980-89 1/

Year	Value of production: Eggs	Broiler	Turkeys	Value of sales Nonbroiler	Total
	Million dollars				
1980	3,268	4,303	1,272	128	8,971
1981	3,671	4,699	1,248	132	9,750
1982	3,459	4,502	1,255	119	9,335
1983	3,469	4,873	1,269	147	9,758
1984	4,110	6,020	1,655	170	11,955
1985	3,262	5,668	1,820	152	10,902
1986	3,543	6,784	1,951	128	12,406
1987	3,209	6,177	1,703	112	11,201
1988	3,068	7,435	1,951	95	12,548
1989 2/	3,854	8,780	2,239	140	15,013

1/ Data (except turkey) reported on December-November marketing year. 2/ Preliminary.
Source: Nat'l Agr. Stat. Serv. and Econ. Res. Serv., USDA

Egg Products Use

Total shell eggs used in the production of liquid, frozen, and dried egg products were 240 million dozen in the first quarter of 1990, up 10 percent from the previous year. This represented about 20 percent of table egg production. Shell eggs broken in March were near record levels at 84 million dozen, about 14 million dozen more than March last year.

Egg Imports To Drop In 1990

Imports were up about one-third during the first quarter from a year earlier, reflecting relatively high prices of domestically produced eggs. Most shell egg imports are for breaking use with the remainder being used for hatching purposes. Annually, imports are expected to fall about 60 percent from

Table 23--Shell eggs broken and egg products produced under Federal inspection, 1988-90

Period	Shell eggs broken	Egg products produced 1/ Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1988:				
January	74,629	24,055	26,050	8,973
February	75,240	26,412	26,412	8,649
March	81,978	27,153	28,412	10,238
April	78,725	26,516	28,209	9,487
May	88,485	29,635	33,072	10,226
June	93,003	30,076	37,251	9,034
July	80,170	25,572	31,347	7,903
August	90,303	30,412	31,675	9,178
September	79,125	27,888	31,565	7,327
October	79,071	27,803	30,198	7,589
November	80,261	28,622	31,507	8,455
December	75,407	26,566	34,113	8,198
Jan.-Dec.	976,397	330,710	369,811	105,257
1989:				
January	79,780	28,584	29,255	10,208
February	69,829	26,991	25,612	9,392
March	69,998	31,581	25,136	7,764
April	76,547	29,355	29,153	8,865
May	91,063	32,678	34,600	10,091
June	89,658	31,996	33,306	10,067
July	81,260	28,762	30,521	9,192
August	86,929	34,053	34,325	8,620
September	76,896	33,170	29,094	7,715
October	82,369	37,743	31,738	8,368
November	76,864	36,989	28,864	7,350
December	67,770	31,205	27,091	6,753
Jan-Dec.	948,963	383,107	358,695	104,385
Percent change from 1988	-2.8	+15.8	-3.0	-0.8
1990:				
January	81,158	37,182	30,282	8,204
February	75,303	33,657	29,998	7,834
March	84,119	39,976	33,951	8,718

1/ Includes ingredients added. All expressed in liquid egg equivalent. 2/ Liquid egg products produced for immediate consumption.

the exceptionally high 25 million dozen imported during 1989. With lower prices expected for the remainder of 1990, domestic eggs are expected to be more attractive to egg processors, resulting in lower imports of eggs for breaking.

Egg Exports Expected To Increase in 1990

U.S. egg exports during early 1990 were down about 25 percent from a year earlier. However, exports for the year are expected to strengthen slightly as U.S. egg prices ease. Exports will approach 100 million dozen, compared with 92 million last year. January-February total egg exports to Canada were three times those of a year earlier, making it the leading importer. Sales to Japan dropped to less than half those of a year earlier.

Nearly all egg exports to Japan are in the form of egg products. While worldwide egg product imports by Japan continue to increase, the U.S. share has dropped sharply. High egg prices in the United States in 1989 and early 1990 made U.S. egg products much less competitive with those of the EC. Lower domestic prices will likely help the United States regain market share in Japan in 1990. Egg products were only 40 percent of total U.S. egg exports during January-February, compared with 62 percent a year earlier. However, egg product exports to Canada jumped to 1 million dozen equivalent as prices there are relatively high.

Hatching egg exports increased by about 20 percent, with Canada taking nearly 50 percent. As a result, hatching eggs increased to 35 percent of total egg exports. Table egg exports increased moderately and made up 25 percent of total exports. Hong Kong purchases, assisted by the Export Enhancement Program, accounted for nearly half of this category.

Table 24--U.S. egg exports to major importers, January-February, 1989-1990 1/

Country or area	1989	1990
	1,000 dozen	
Canada	1,131	3,314
Japan	8,542	3,265
Hong Kong	1,552	1,418
Mexico	953	826
Jamaica	556	808
Brazil	0	342
United Arab Emirates	52	293
Dominican Republic	48	293
Haiti	420	196
Surinam	124	192
Other	3,257	1,222
Grand Total	16,635	12,169

1/ Shell, and shell equivalent of egg products.

Cattle

Improved forage prospects and tight feeder calf supplies are likely to result in strong stocker-feeder cattle prices and reduced nonfed slaughter this year. However, large numbers of calves placed on feed last fall and a larger supply of yearling feeder cattle will likely result in near record fed cattle marketings in late spring, possibly through early fall. Following record prices near $80 per cwt this winter-early spring, fed cattle prices may dip below $70 in midsummer before strengthening in late fall and into 1991 as slaughter levels decline seasonally.

Grazing Conditions Improved

Pasture and range conditions on May 1 averaged 76, 8 points above a year ago, but 3 below the 1979-88 average. Conditions were much improved from 1989 in the central and southern Great Plains. Generally the plains and eastern two-thirds of the country had favorable conditions. However, localized dry areas existed in northwest Iowa and adjoining areas of Nebraska, South Dakota, and Minnesota, and much of North Dakota. North Dakota was the only State starting the year in the severe drought range, its lowest reported condition for May 1 since 1935. Drought conditions are developing in some areas of the West. Conditions in Arizona, New Mexico, and Utah were rated very poor, while conditions in California, Idaho, Nevada, and Oregon were in the poor to fair range. Reduced snowpack in the West could affect spring and summer pastures and irrigation water supplies to support forage production.

Hay acreage harvest intentions in 1990/91 and May 1 hay stocks favor a continued rebuilding of stocks. Hay stocks on May 1 were up 55 percent from a year ago (the lowest since 1965) and slightly above 1988. Producers as of March 1 intended to harvest 62 million acres for hay this year, 2 percent below last year, but nearly 2 percent above the 1980-89 average. In March 1989 producers reported intentions to harvest hay from 63.1 million acres, but the harvest was 63.4 million. Some of the increase was likely due to haying allowed on Conservation Use and Acreage Conservation Reserve acreage with adequate cover in drought-declared areas during the 5 nongrazing months and on some of the long term Conservation Reserve acreage. Although relatively small nationally, this acreage can be very important locally in increasing forage supplies and reducing the need for excessive herd reductions.

Table 25--Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Steers and heifers: Nonfed	Steers and heifers: Total	Cows	Bulls and stags	Total	Dressed weight	Commercial production
	1,000 head						Pounds	Million pounds
1984								
I	6,467	458	6,925	2,081	164	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,176	2,169	218	9,563	622	5,952
IV	6,259	678	6,937	2,374	196	9,507	624	5,936
Year	25,758	2,416	28,174	8,622	787	37,582	623	23,418
1985								
I	6,678	209	6,887	1,879	170	8,936	637	5,692
II	6,663	540	7,203	1,629	195	9,027	656	5,923
III	6,863	604	7,467	1,692	195	9,353	659	6,167
IV	5,977	611	6,588	2,190	199	8,977	643	5,775
Year	26,181	1,964	28,145	7,390	759	36,293	649	23,557
1986								
I	6,507	327	6,834	1,885	165	8,884	649	5,769
II	6,700	685	7,385	2,006	181	9,572	653	6,246
III	6,836	684	7,520	1,941	191	9,652	651	6,273
IV	6,192	682	6,874	2,129	177	9,180	645	5,925
Year	26,235	2,378	28,613	7,961	714	37,288	649	24,213
1987								
I	6,507	443	6,950	1,652	163	8,765	656	5,754
II	6,510	586	7,096	1,603	179	8,878	646	5,737
III	7,011	395	7,406	1,636	181	9,223	657	6,064
IV	6,401	495	6,896	1,719	166	8,781	666	5,850
Year	26,429	1,919	28,348	6,610	689	35,647	657	23,405
1988								
I	6,621	279	6,900	1,529	152	8,581	664	5,700
II	6,777	314	7,091	1,504	164	8,759	660	5,784
III	7,209	249	7,458	1,575	167	9,200	672	6,185
IV	6,192	457	6,649	1,729	161	8,539	674	5,755
Year	26,799	1,299	28,098	6,337	644	35,079	668	23,424
1989								
I	6,390	97	6,487	1,550	144	8,181	676	5,530
II	6,960	26	6,986	1,541	167	8,694	664	5,777
III	6,788	191	6,979	1,460	175	8,614	684	5,893
IV	6,071	420	6,491	1,765	172	8,428	685	5,774
Year	26,209	734	26,943	6,316	658	33,917	677	22,974
1990								
I	6,308	123	6,431	1,533	153	8,117	678	5,507

1/ Classes estimated.

Table 26--Hay acreage, production, and stocks

Item	1988	1989	1990	1990 / 1989
	1,000 acres			Percent
Acreage harvested	65,055	63,395	62,016 1/	-2
Yield/acre	1.94	2.29 2/	2.46 2/	+7
	1,000 tons			
Production	126,010	145,445	152,560 2/	+5
Stocks on farms				
May 1	27,074	17,507	27,080	+55
December 1	90,312	101,158		
Production + May 1 stocks	53,084	162,952	179,640 2/	+10

1/ Intended. 2/ Forecast.

Table 28--April 1 feeder cattle supply

Item	1987	1988	1989	1990	1990/ 1989
	1,000 head				Percent change
Calves - 500 lb					
on farms Jan. 1	22,995	21,008	20,152	19,348	-4.0
Slaughter Jan-Mar.	760	647	583	502	-13.9
On feed April 1/	294	319	255	292	+14.5
Total	21,941	20,042	19,314	18,554	-3.9
Steers & Heifers 500 lb + 2/					
On farms Jan. 1	22,983	23,573	23,404	24,160	+3.2
Slaughter Jan-Mar.	6,950	6,900	6,487	6,431	-.9
On feed April 1/	10,405	11,017	11,408	11,396	-.1
Total	5,628	5,656	5,509	6,333	+15.0
Total supply	27,569	25,698	24,823	24,887	+.3

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacements.

The farm price of hay averaged $91.60 a ton in April, up from $88.50 in March, even as grazing prospects improved in most areas. Prices declined nearly $10 a ton from a year earlier. Prices for grass hays declined from last month and a year ago. Alfalfa hay prices, although below a year earlier, increased from March. However, hay prices are likely to decline further in the 1990/91 feeding year if stocks continue to rebuild.

Cattle on Feed Inventories Rise; Marketings Lag

Cattle on feed in the 13 States reporting quarterly remain above a year earlier, with the April 1 inventory the largest since 1978. Net feedlot placements have been large since October. Fourth-quarter placements were the largest since 1985, while first-quarter placements were second only to last year's record. Many of the placements were lighter weight calves forced off wheat pasture because of poor grazing conditions. In contrast, grazing remained good in a number of the areas that overwinter yearling cattle and many were still outside feedlots on April 1.

A larger proportion of the cattle on feed were lighter weight cattle placed last fall. Despite more cattle in feedlots, the supply of market-ready cattle in the first quarter was

Table 27--13-States cattle on feed, placements, marketings, and other disappearance

Year	On feed 1/	Percent change 2/	Place- ments	Percent change 2/	Fed mar- ketings	Percent change 2/	Other dis- apperance	Percent change 2/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1985								
I	10,653	7.5	5,315	-3.6	5,907	3.4	373	2.2
II	9,688	3.7	5,266	-5.7	5,787	3.0	427	-25.3
III	8,740	0.1	5,522	-11.8	5,949	4.7	246	-8.2
IV	8,067	10.8	7,500	-.7	5,269	-4.6	314	-24.7
Year	---	---	23,603	-5.2	22,912	1.7	1,360	-16.2
1986								
I	9,984	-6.3	5,270	-.8	5,763	-2.4	316	-15.3
II	9,175	-5.3	5,221	-.9	5,821	.6	375	-12.2
III	8,200	-6.2	6,376	15.5	5,926	-.4	233	-5.3
IV	8,417	4.3	6,906	-7.9	5,456	3.5	312	-.6
Year	---	---	23,773	.7	22,966	.2	1,236	-9.1
1987								
I	9,555	-4.3	5,670	7.6	5,747	-.3	376	19.0
II	9,102	-.8	5,936	13.7	5,649	-3.0	428	14.1
III	8,961	9.3	6,650	4.3	6,082	2.6	242	3.9
IV	9,287	10.3	6,818	-1.3	5,648	3.5	343	9.9
Year	---		25,074	5.5	23,126	.7	1,389	12.4
1988								
I	10,114	5.9	5,824	2.7	5,853	1.8	390	3.7
II	9,695	6.5	5,913	-.4	5,879	4.1	423	-1.2
III	9,306	3.9	6,031	-9.3	6,261	2.9	225	-7.0
IV	8,851	-4.7	6,655	-2.4	5,466	-3.2	352	2.6
Year	---		24,423	-2.6	23,459	1.4	1,390	.1
1989								
I	9,688	-4.2	6,232	7.0	5,658	-3.3	344	-11.8
II	9,918	2.3	5,212	-11.9	6,040	2.7	410	-3.1
III	8,680	-6.7	5,719	-5.2	5,896	-5.8	227	.9
IV	8,276	-6.5	7,321	10.8	5,361	-1.9	293	-16.8
Year			24,484	.2	22,955	-2.1	1,274	-8.3
1990								
I	9,943	2.6	6,088	-2.3	5,583	-1.3	385	11.9
II	10,063	1.5			6,088 3/	.8		

1/ Beginning of quarter. 2/ Percent change from previous year. 3/ Expected marketings.

Table 29--Cattle on feed, placements, and marketings, 13 States

Item	1988	1989	1990	1990/89
		1,000 head		Percent change
On feed Jan. 1	10,114	9,688	9,943	+3
Placements, Jan.-Mar.	5,824	6,232	6,088	-2
Marketings, Jan.-Mar.	5,853	5,658	5,583	-1
Other disappearance, Jan.-Mar.	390	344	385	+12
On feed April 1	9,695	9,918	10,063	+1
Steers & steer calves	6,312	6,342	6,438	+2
-500 lb	181	152	171	+13
500-699 lb	671	753	770	+2
700-899 lb	2,603	2,516	2,511	0
900-1,099 lb	2,158	2,329	2,389	+3
1,100 + lb	699	592	597	+1
Heifers & heifer calves	3,346	3,535	3,562	+1
-500 lb	91	64	79	+23
500-699 lb	779	720	717	0
700-899 lb	1,590	1,787	1,802	+1
900-1,099 lb	886	875	885	0
1,100 + lb	NA	89	79	-11
Cows	37	41	63	+54
Marketings, Apr.-June	5,879	6,040	6,088 1/	+1

1/ Intentions. NA = weight groups combined.

reduced. Fed cattle marketings declined 1 percent from a year earlier. Steer slaughter weights declined from 746 pounds in January to about 731 pounds in March and April, a drop similar to a year ago but greater than normal. In both years, fed cattle were sold ahead of schedule due to tight supplies of market-ready cattle.

Second-Quarter Marketings Likely Record Large

Cattle feeders intend to market nearly 1 percent more fed cattle in the second quarter than the record 6.04 million head in that period of 1989. Many of the cattle on feed were placed last fall. A larger proportion of those on feed will be reaching desired grade and market weight in May and June. Cattle on feed on April 1 in the heavier weight groups (steers at 900 pounds and over and heifers at 700 pounds and over) were the most numerous since 1974, suggesting that the marketing intentions will likely be met or exceeded. The number of cattle on feed in the lighter weight groups was also above year-earlier levels and will help bolster summer and perhaps fall marketings.

Yearling Feeder Cattle Supplies Remain Large

A larger proportion of yearling cattle than normal remained on pasture through the winter. This increase was the result of good native pasture and range conditions in many areas and large numbers of calves in the High Plains forced off poor wheat pasture and into feedlots well ahead of schedule. The April 1, 1990, supply of yearlings on pasture and available to go on feed or for nonfed slaughter was 15 percent above a year earlier. However, the supply of calves declined 4 percent, continuing the decline that began in 1981. Smaller calf crops, as well as heavier birth weights and a faster growth rate due to genetic changes, have resulted in a continued drop in the number of calves available to go on feed at any given time.

Table 30--7-States cattle on feed, placements, and marketings

Year	On feed	Percent change 1/	Net placements	Percent change 1/	Marketings	Percent change 1/	Other dis-appearance	Percent change 1/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1988								
Jan.	8,411	+5.8	1,557	-8.8	1,764	-1.6	106	-16.5
Feb.	8,204	+7.7	1,253	-6.3	1,545	+4.5	126	+20.0
Mar.	7,912	+5.9	1,737	+6.9	1,593	+1.4	111	+18.1
Apr.	8,056	+7.0	1,382	-11.5	1,609	+4.4	139	0
May	7,829	+3.7	2,029	10.2	1,724	+13.9	146	+2.1
June	8,134	+3.3	1,319	-1.9	1,717	-0.9	68	-21.8
July	7,736	+3.3	1,189	-2.4	1,785	+3.6	62	-12.7
Aug.	7,140	+2.2	1,594	-13.7	1,790	+3.3	66	-2.9
Sept.	6,944	-2.2	2,142	-10.9	1,682	+0.7	67	-5.6
Oct.	7,404	-5.4	2,366	-6.4	1,576	-7.3	84	-1.2
Nov.	8,194	-5.4	1,578	+0.4	1,517	+2.6	112	+3.7
Dec.	8,255	-5.7	1,306	+2.8	1,516	-6.0	115	-3.4
1989								
Jan.	8,045	-4.4	1,602	+2.9	1,677	-4.9	104	-1.9
Feb.	7,970	-2.9	1,495	+19.3	1,534	-0.7	115	-8.7
Mar.	7,931	+0.2	1,900	+9.4	1,579	-0.9	75	-32.4
Apr.	8,252	+2.4	1,415	+2.4	1,580	-1.8	124	-10.8
May	8,087	+3.3	1,460	-28.0	1,752	+1.6	164	+12.3
June	7,795	-4.2	1,231	-6.7	1,791	+4.3	62	-8.8
July	7,235	-6.5	1,228	+3.3	1,700	-4.8	63	+1.6
Aug.	6,763	-5.2	1,562	-2.0	1,694	-5.4	76	+15.2
Sept.	6,631	-4.5	1,906	-11.0	1,579	-6.1	47	-29.9
Oct.	6,958	-6.0	2,581	+9.1	1,628	+3.3	71	-15.5
Nov.	7,911	-3.4	1,910	+21.0	1,490	-1.8	91	-18.8
Dec.	8,331	+0.9	1,465	+12.2	1,418	-6.5	87	-24.3
1990								
Jan.	8,378	+4.1	1,782	+11.2	1,634	-2.6	114	+9.6
Feb.	8,526	+7.0	1,308	-12.5	1,515	-1.2	95	-17.4
Mar.	8,319	+4.9	1,782	-6.2	1,618	+2.5	120	+60.0
Apr.	8,483	+2.8						

1/ Percent change is from previous year.

Table 31--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during 1989-90 Marketed during 1989-90	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.
Expenses: ($/head)												
600 lb. feeder steer	477.00	485.40	499.02	520.02	511.80	492.00	503.28	496.80	511.02	500.70	504.78	516.78
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed												
Milo (1500 lb) 2/	72.00	72.75	71.25	70.65	70.50	68.10	63.90	63.15	62.85	62.55	62.70	64.20
Corn (1500 lb) 2/	79.95	80.25	78.90	79.35	77.25	72.75	73.35	72.45	72.45	72.75	73.50	76.35
Cotton seed meal (400 lb)	56.00	56.00	56.00	51.60	51.60	51.60	53.60	53.60	53.60	54.40	54.40	54.40
Alfalfa hay (800 lb) 3/	57.60	52.80	52.80	52.00	50.00	50.00	53.20	52.80	47.60	53.20	52.00	56.00
Total feed cost	265.55	261.80	258.95	253.60	249.35	242.45	244.05	242.00	236.50	242.90	242.60	250.95
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	41.16	41.60	42.42	40.75	40.10	38.63	38.14	37.69	38.39	37.64	37.88	38.86
Death loss (1.5% of purchase)	7.15	7.28	7.49	7.80	7.68	7.38	7.55	7.45	7.67	7.51	7.57	7.75
Marketing 4/	F.o.b.	F.o.b.	F.o.b	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.
Total	821.82	827.04	838.84	853.13	839.88	811.42	823.98	814.90	824.53	819.71	823.79	845.30
Selling price required to cover: 5/ $/cwt.												
Feed and feeder cost (1056 lb)	70.32	70.76	71.78	73.26	72.08	69.55	70.77	69.96	70.79	70.42	70.77	72.70
All costs	77.82	78.32	79.44	80.79	79.53	76.84	78.03	77.17	78.08	77.62	78.01	80.05
Selling price 6/	72.09	75.47	77.97	79.02	78.62	79.31	80.00					
Net margin	-5.73	-2.85	-1.47	-1.77	- .91	2.47	1.97					
Cost per 100 lb. gain:												
Variable cost less interest $/cwt.	59.34	58.62	58.09	57.08	56.21	54.77	55.12	54.69	53.63	54.88	54.83	56.54
Feed costs $/cwt.	53.11	52.36	51.79	50.72	49.87	48.49	48.81	48.40	47.30	48.58	48.52	50.19
Prices: ($/cwt)												
Choice feeder steer 600-700 lb. Amarillo	79.50	80.90	83.17	86.67	85.30	82.00	83.88	82.80	85.17	83.45	84.13	86.13
Transportation rate $/cwt/100 miles 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Commission fee $/cwt.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Feed, Prices, Texas												
Milo $/cwt	4.65	4.70	4.60	4.56	4.55	4.39	4.11	4.06	4.04	4.02	4.03	4.13
Corn $/cwt.	5.18	5.20	5.11	5.14	5.00	4.70	4.74	4.68	4.68	4.70	4.75	4.94
Cottonseed Meal (41%) $/cwt. 8/	14.00	14.00	14.00	12.90	12.90	12.90	13.40	13.40	13.40	13.60	13.60	13.60
Alfalfa hay $/ton	114.00	102.00	102.00	100.00	95.00	95.00	103.00	102.00	89.00	103.00	100.00	110.00
Feed handling and management $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	13.50	13.50	13.50	12.60	12.60	12.60	12.20	12.20	12.20	12.10	12.10	12.10

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. 2/ Texas Panhandle elevator price plus $.15/cwt handling and transportation to feedlots. 3/ Average price received by farmers plus $30/ton handling and transportation to feedlots. 4/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 5/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 6/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 7/ Converted from cents per mile for a 44,000-lb haul. 8/ Average prices paid by farmers. 9/ Prime rate plus 2 points.

Table 32--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during 1989-90 Marketed during 1989-90	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.
Expenses: ($/head)												
600 lb. feeder steer	495.78	501.00	512.28	522.78	530.40	531.78	529.50	524.28	517.50	514.20	509.28	525.00
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	114.98	116.55	112.73	110.70	100.80	100.80	98.10	99.90	100.80	99.90	101.03	105.75
Silage (1.7 tons)	50.33	50.91	48.36	44.75	41.90	40.92	39.85	39.91	40.64	40.89	40.68	41.57
Protein supplement (270 lb.)	39.29	39.29	39.29	38.75	38.75	38.75	38.48	38.48	38.48	37.67	37.67	37.67
Hay (400 lb.)	20.40	20.60	19.30	17.00	16.30	15.60	15.20	15.00	15.40	15.70	15.40	15.40
Total feed costs	224.99	227.34	219.67	211.20	197.75	196.06	191.62	193.28	195.31	194.15	194.77	200.39
Labor (4 hrs.)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.73	5.73	5.73	5.77	5.77	5.77	5.75	5.75	5.75	5.83	5.83	5.83
Interest on purchase (6 months)	30.94	31.26	31.97	32.31	32.78	32.86	32.17	31.85	31.44	30.90	30.61	31.55
Power, equip., fuel, shelter, deprec. 3/	26.74	26.74	26.74	26.90	26.90	26.90	26.83	26.83	26.83	27.20	27.20	27.20
Death loss (1% of purchase)	4.96	5.01	5.12	5.23	5.30	5.32	5.30	5.24	5.18	5.14	5.09	5.25
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	11.57	11.57	11.57	11.62	11.63	11.62	11.60	11.60	11.60	11.76	11.76	11.76
Total	835.22	843.18	847.60	850.23	845.04	844.84	837.29	833.36	828.13	823.72	819.07	841.51
Selling price required to cover: ($/cwt.)												
Feed and feeder cost (1050 lb.)	68.64	69.37	69.71	69.90	69.35	69.32	68.68	68.34	67.89	67.46	67.05	69.08
All costs (1050 lb.)	79.55	80.30	80.72	80.98	80.48	80.46	79.74	79.37	78.87	78.45	78.01	80.14
Feed cost per 100 lb. gain (450 lb.)	50.00	50.52	48.82	46.93	43.94	43.57	42.58	42.95	43.40	43.15	43.28	44.53
Choice steers, Omaha (1000-1100 lb.)	69.69	72.48	75.21	76.73	76.71	78.15	79.36					
Net margin	-9.86	-7.82	-5.51	-4.25	-3.77	-2.31	-.38					
Prices:												
Feeder steer, Choice (600-700 lb.)												
Kansas City $/cwt.	82.63	83.50	85.38	87.13	88.40	88.63	88.25	87.38	86.25	85.70	84.88	87.50
Corn $/bu. 4/	2.56	2.59	2.51	2.46	2.24	2.24	2.18	2.22	2.24	2.22	2.25	2.35
Hay $/ton 4/	102.00	103.00	96.50	85.00	81.50	78.00	76.00	75.00	77.00	78.50	77.00	77.00
Corn silage $/ton 5/	29.61	29.95	28.45	26.33	24.65	24.07	23.44	23.48	23.91	24.05	23.93	24.46
Protein supplement (32-36%) $/cwt. 6/	14.55	14.55	14.55	14.35	14.35	14.35	14.25	14.25	14.25	13.95	13.95	13.95
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	12.48	12.48	12.48	12.36	12.36	12.36	12.15	12.15	12.15	12.02	12.02	12.02
Transportation rate $/cwt. per 100 mile 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Mktg. expenses $/cwt. 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1220	1220	1220	1227	1227	1227	1224	1224	1224	1241	1241	1241

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production, and locality of operation. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in IA and IL. 5/ Price derived from an equivalent price of 5 bushels corn and 330 lb. hay. 6/ Average price paid by farmers in IA and IL. 7/ Converted from cents/mile for a 44,000-lb. haul. 8/ Yardage plus commission fees at a Midwest terminal market.

Table 33--Commercial calf slaughter and production

Year	Slaughter	Dressed weight	Production
	1,000 head	Pounds	Million pounds
1986			
I	873	148	129
II	836	154	129
III	859	150	129
IV	839	145	122
Year	3,408	149	509
1987			
I	760	147	112
II	651	155	101
III	684	145	99
IV	720	144	104
Year	2,815	148	416
1988			
I	647	150	97
II	567	162	92
III	665	149	99
IV	627	158	99
Year	2,506	154	387
1989			
I	583	156	91
II	488	174	85
III	548	153	84
IV	553	152	84
Year	2,172	158	344
1990			
I	502	157	79

Table 34--Calf slaughter by class under Federal inspection

Year	Bob veal	Fed		Other	Total
	150 lb & below	Formula 150-400 lb	Nonformula 150-400 lb	over 400 lb	
			1,000 head		
1986	1,618.6	1,009.3	285.9	281.0	3,194.8
1987	1,207.8	1,002.7	171.4	297.5	2,679.4
1988					
Jan.	92.5	82.0	12.5	18.1	205.1
Feb.	86.5	84.9	16.2	15.2	202.8
Mar.	96.3	92.8	11.4	15.3	215.8
Apr.	65.3	78.7	10.8	14.3	169.1
May	58.1	80.7	17.1	15.4	171.3
Jun.	82.1	90.4	14.2	17.1	203.8
July	106.3	74.2	14.1	12.4	207.0
Aug.	111.7	86.3	12.2	16.7	226.9
Sept.	92.7	85.0	13.1	16.5	207.3
Oct.	84.6	84.7	11.9	15.8	197.0
Nov.	94.7	81.4	11.3	14.1	201.5
Dec.	95.1	82.2	11.1	14.2	202.6
Year	1,065.9	1,003.3	155.9	185.1	2,410.2
1989					
Jan.	83.4	83.6	10.3	18.3	195.6
Feb.	75.7	76.6	7.7	15.3	175.3
Mar.	83.1	84.6	9.9	16.7	194.3
Apr.	46.3	74.5	7.3	23.9	152.0
May	54.7	77.9	9.3	15.4	157.3
June	56.4	81.6	8.1	15.1	161.2
July	97.1	82.8	10.3	16.6	206.8
Aug.	87.8	76.1	8.3	16.9	189.1
Sept.	77.3	68.4	10.6	16.7	173.0
Oct.	80.6	86.7	11.2	12.2	190.7
Nov.	81.6	70.5	10.5	12.4	175.0
Dec.	74.2	70.5	8.9	13.3	166.9
Year	898.2	933.8	112.4	192.8	2,137.2
1990					
Jan.	73.4	77.5	12.1	11.8	174.8
Feb.	58.0	66.1	8.1	12.9	145.1
Mar.	66.4	79.6	8.1	11.0	165.1

In the past couple of years, feeder cattle supplies have been bolstered by calves bid away from veal slaughter. Calf slaughter declined about a third between 1986 and 1989, but this rate of decline may slow dramatically in coming years.

Summer Marketings To Remain Large

More calves on feed April 1 than last year and 15 percent more yearlings available for placement on feed are expected to raise summer-quarter marketings 2 to 3 percent from the relatively low levels of a year ago. A large winter wheat harvest, at declining prices, particularly relative to corn, is likely to favor wheat feeding in the Great Plains and larger numbers of yearlings placed on feed this spring and summer. Fed cattle marketings from the 13 quarterly reporting States will likely be the second largest since the record 6.261 million head marketed in the summer of 1988. Marketings this fall will decline seasonally, but will likely be 2 to 3 percent above year-earlier levels. However, if forage conditions remain favorable, reduced nonfed slaughter and lower slaughter weights may result in beef production 1 to 2 percent below last fall.

Prices May Decline Through Midsummer

Fed cattle prices at Omaha set records in April due to very tight supplies of market-ready cattle. However, supplies will be increasing steadily through at least midsummer. Prices are likely to average in the low \$70's this summer, dropping below \$70 at times. Seasonally declining beef production may strengthen fed cattle prices in mid- to late fall and average near the mid-\$70's.

Feeder cattle and slaughter cow prices remain strong because supplies are tight. Prices for yearling feeder steers at Kansas City averaged \$86 in the first quarter and about \$91 in April through mid-May. The price of yearling feeder cattle is likely to remain in the upper \$80's even as fed cattle prices decline and the farm price of corn remains well above year-earlier levels. Feeder cattle supplies will remain tight, with strong competition for thinner cattle to go on grass. But the majority of feeder cattle will be placed on feed and the nonfed steer and heifer slaughter will continue to be at reduced levels during 1990.

Utility cow prices averaged \$52.41 per cwt this winter and near \$55 since March. Cow slaughter is expected to remain low through summer, with prices averaging \$52 to \$55 until autumn when they may fall to the upper \$40's as slaughter rises seasonally. Reduced supplies of processing meats due to reduced pork production and lower beef imports will continue to support cow prices.

Retail Beef Prices To Decline

Retail beef and pork prices reached record levels this winter as supplies lagged expectations. Pork supplies are expected to remain tight until fall, but beef supplies should rise

Table 35--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
							Total			Dairy			Dairy/total		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
	Thousands												Percent		
Jan.															
6	664	543	548	328	256	263	131	119	120	64	64	57	49	54	48
13	723	627	622	359	290	282	126	131	146	62	68	69	49	52	47
20	703	654	599	353	313	280	126	129	132	60	65	61	48	50	46
27	675	641	637	340	310	318	119	123	120	57	61	59	48	50	49
Feb.															
3	646	625	638	335	300	309	116	114	122	58	60	60	50	53	49
10	639	605	622	332	300	304	106	104	115	55	57	60	52	55	52
17	637	641	601	316	316	300	118	119	102	59	64	53	50	54	52
24	640	628	594	314	309	300	121	108	104	60	62	56	49	57	54
Mar.															
3	616	639	592	304	316	295	114	114	109	56	62	57	49	54	52
10	609	600	613	298	312	312	105	104	103	54	58	55	52	56	54
17	622	588	620	307	288	315	106	119	104	54	61	57	51	51	54
24	607	584	609	304	286	306	108	114	110	53	56	56	49	49	51
31	617	587	608	316	286	307	106	111	108	51	57	55	48	51	51
Apr.															
7	600	609	592	310	300	302	101	118	104	50	57	51	50	48	49
14	619	646	595	315	335	302	110	117	104	54	56	50	49	48	49
21	670	663	627	349	332	326	108	122	102	50	56	48	46	46	47
28	674	652	625	356	332	325	109	122	109	50	54	51	46	44	47
May															
5	664	666		358	326		104	128		46	56		44	44	
12	664	670		344	339		109	118		47	50		43	43	
19	682	675		348	344		118	115		48	50		41	44	
26	689	673		355	342		125	115		52	50		42	44	
June															
2	575	589		298	301		96	99		39	42		41	43	
9	681	663		336	328		120	114		50	49		42	43	
16	678	680		338	339		129	113		53	49		41	43	
23	678	658		344	331		120	109		50	48		42	44	
30	682	671		348	329		119	112		50	50		42	44	
July															
7	609	564		306	288		108	79		51	37		48	47	
14	724	691		341	335		135	122		62	56		46	46	
21	691	672		359	326		116	115		55	55		47	48	
28	694	638		346	312		112	106		57	52		51	49	
Aug.															
4	678	644		339	326		111	104		54	53		49	51	
11	694	673		346	332		112	107		56	54		50	50	
18	688	652		337	315		115	112		54	53		47	47	
25	678	630		328	304		121	114		58	56		48	49	
Sept															
1	703	646		326	316		116	111		55	57		47	51	
8	614	562		288	277		101	97		49	49		49	51	
15	692	657		333	327		124	118		58	58		47	49	
22	672	666		332	316		119	117		58	56		49	48	
29	667	670		316	324		118	120		58	56		49	46	
Oct.															
6	674	660		309	310		125	126		56	57		46	45	
13	680	663		311	309		127	128		56	57		44	45	
20	673	648		312	304		132	132		58	57		44	43	
27	676	652		310	297		143	142		64	60		45	42	
Nov.															
3	656	643		304	292		140	139		62	61		44	44	
10	621	630		298	292		134	139		62	59		46	42	
17	623	635		286	292		140	143		63	60		45	42	
24	546	533		260	262		110	111		51	47		46	42	
Dec.															
1	648	660		298	301		145	146		67	62		46	43	
8	624	644		300	299		140	149		66	63		47	42	
15	623	635		306	304		126	133		62	58		50	44	
22	622	625		305	298		116	124		58	53		50	43	
29	549	542		281	274		90	99		46	42		51	42	

1/ Corresponding dates to 1990: 1988, Jan. 9, 1989, Jan. 7.

Table 36--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share

Year	Retail price 1/	Gross carcass value 2/	By-product allowance 3/	Net carcass value 4/	Gross farm value 5/	By-product allowance 6/	Net farm value 7/	Farm retail-spread: Total	Carcass-retail	Farm-carcass	Farmers' share 8/
	Cents per pound										Percent
1985	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986	230.7	134.3	1.2	133.1	140.0	15.6	124.4	106.3	97.6	8.7	54
1987	242.5	146.7	1.4	145.3	157.6	19.7	137.9	104.6	97.2	7.4	57
1988	254.7	155.6	1.7	153.9	169.4	22.0	147.4	107.3	100.8	6.5	58
I	245.9	150.7	1.7	149.0	166.0	23.2	142.8	103.1	96.9	6.2	58
II	254.4	162.2	1.8	160.4	176.2	23.2	153.0	101.4	94.0	7.3	60
III	258.9	151.3	1.7	149.6	163.9	21.6	142.2	116.7	109.3	7.4	55
IV	259.4	158.2	1.7	156.5	171.4	20.0	151.4	108.0	102.9	5.1	58
1989	269.9	162.2	1.6	160.6	176.6	20.9	155.4	114.5	109.3	5.2	58
I	266.3	164.3	1.6	162.7	179.6	20.5	159.1	107.2	103.6	3.6	60
II	269.9	166.8	1.6	165.2	179.3	20.1	159.2	110.7	104.7	6.0	59
III	270.7	156.2	1.4	154.8	169.8	21.0	148.8	121.9	115.9	6.0	55
IV	272.7	161.3	1.5	159.8	176.4	21.9	154.5	118.2	112.9	5.3	57
1990											
Jan.	281.3	170.3	1.6	168.7	186.0	22.7	163.3	118.0	112.6	5.4	58
Feb.	281.5	169.6	1.7	167.9	186.8	22.6	164.2	117.3	113.6	3.7	58
Mar.	281.5	170.8	1.6	169.2	188.3	22.1	166.2	115.3	112.3	3.0	59
I	281.4	170.2	1.6	168.6	187.0	22.4	164.6	116.8	112.8	4.0	58
Apr.	285.4	172.4	1.5	170.9	190.5	22.4	168.1	117.3	114.5	2.8	59

1/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 2/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.476 is used. 3/ Portion of gross carcass value attributed to fat and bone trim. 4/ Gross carcass value minus carcass byproduct allowance. 5/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 6/ Portion of gross farm value attributed to edible and inedible byproducts. 7/ Gross farm value minus farm byproduct allowance. 8/ Percent net farm value is of retail price.

Table 37--U.S. live cattle trade 1/

Country or area	Annual 1989	January-February 1989	January-February 1990	Percent change
	Thousand head			Percent
Imports				
Mexico	873.6	253.0	243.8	-3.6
Canada	584.1	88.1	124.4	41.2
Other	1.1	.3	0	-100.0
Total	1,459.4	341.4	368.3	7.9
Exports				
Mexico	124.9	49.2	9.7	-80.2
Canada	23.6	2.1	7.4	260.6
Other	20.6	5.4	2.4	-55.8
Total	169.1	56.6	19.5	-65.5

1/ May not add due to rounding. Percent change calculated from unrounded data.

through summer. Consequently, the Choice beef retail price is expected to decline from the $2.81 per pound winter-quarter record to about $2.75 this spring and near the low $2.70's this summer. Large supplies of broilers at already lower prices and increasing beef supplies should result in strong competition.

U.S. Cattle and Beef Trade

Live Cattle Imports Rising

Live cattle imports may rise by at least 3 percent over last year's 1.46 million head. U.S. cattle imports come mainly from Mexico and Canada. The Mexican cattle are almost all feeder steers in the 200-700 pound range, while those from Canada are mainly above 700 pounds and for immediate slaughter. During the 1980's, Canada's exports to the United States by weight class shifted from about 40 percent calves and 40 percent in the over-700-pound category to about 80 percent over 700 pounds.

Mexican sales of feeder cattle to the United States increased substantially when Mexico's export tariff dropped from 20 percent (or a minimum of $60) per head to 10 percent (or $30) in September 1989. Preliminary estimates by the USDA's Animal and Plant Health Inspection Service show that 459,985 head had been imported from Mexico from January through April 21, 1990. Generally, Mexican exports decline seasonally during the summer. There may also be some holding back of shipments until September when the export tariff will be reduced to 5 percent.

Canadian cattle inventories and exports are forecast to continue to increase in 1990. Higher prices in the United States will draw cattle south. Dry conditions continue in western Canada and may be a contributing factor.

U.S. Beef and Veal Imports

U.S. beef and veal imports come mainly from Australia and New Zealand and may be down slightly in 1990. Imports from Australia were larger than expected at the end of 1989 and beginning of 1990. In Australia, herd rebuilding kept slaughter down during the first half of 1989 but dry conditions and high export prices raised slaughter and exports as the year advanced. U.S. imports from Australia will likely decline during mid-1990 because flooding has disrupted transport of cattle to slaughter in Queensland, where most of the beef shipped to the United States is produced.

U.S. imports from New Zealand are forecast to be down in 1990. Herd rebuilding and recovery from last year's drought-induced liquidation will limit New Zealand's supplies available for export.

Table 38--Imports of feeder cattle and calves and hogs from Canada and Mexico

Year	Feeder cattle and calves: Canada	Feeder cattle and calves: Mexico	Hogs: Canada
		Number	
1988			
Jan.	28,013	304,053	58,942
Feb.	29,193	233,635	43,759
Mar.	34,848	95,394	53,682
Apr.	30,899	58,169	55,393
May	44,319	32,816	51,366
June	41,631	5,043	62,137
July	25,098	0	53,360
Aug.	48,177	8	83,256
Sept.	56,200	0	104,310
Oct.	53,307	178	108,945
Nov.	56,006	4,184	106,901
Dec.	29,016	107,805	53,074
Total	476,707	841,285	835,125
1989			
Jan.	52,285	105,822	162,762
Feb.	34,515	146,996	103,245
Mar.	39,386	132,921	144,106
Apr.	46,410	108,428	65,383
May	61,756	9,401	74,488
June	58,534	233	70,821
July	19,379	3,429	35,796
Aug.	51,205	4,172	111,765
Sept.	50,484	716	74,946
Oct.	65,841	509	79,625
Nov.	54,132	132,404	61,972
Dec.	40,861	228,357	88,255
Total	573,408	873,388	1,073,164
1990			
Jan.	53,709	126,109	119,009
Feb.	68,728	117,738	91,116

Table 39--U.S. beef and veal trade, carcass weight 1/

Country or area	Annual 1989	January-February 1989	January-February 1990	Percent change
	Million pounds			Percent
Imports				
Australia	818.4	121.6	162.7	33.8
New Zealand	658.4	154.2	100.5	-34.9
Canada	239.2	42.1	43.2	2.7
Brazil	78.2	12.5	19.6	56.6
Argentina	189.3	31.4	33.9	7.7
Central America	170.3	21.7	27.9	28.2
Other	21.6	4.9	3.0	-39.1
Total	2,175.4	388.4	390.7	0.6
Exports				
Japan	799.0	83.7	93.0	11.2
Canada	93.9	11.9	30.0	152.1
Caribbean	21.7	2.5	3.8	50.5
Korea, S.	54.5	4.4	2.9	-32.8
Other	92.8	14.3	16.5	15.6
Total	1,061.9	116.7	146.2	25.3

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

U.S. Beef and Veal Exports

U.S. beef and veal exports may increase 12-15 percent in 1990. Exports to Japan will continue to rise, but not at the accelerated pace of last year. Japan's import quota was raised by 60,000 metric tons for fiscal 1990 beginning in April to a total of 394,000 tons, with 167,000 in the first half and 218,000 in the second half of the year. Therefore, greater growth in U.S. exports in the latter part of this year is expected.

Table 40--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs	Sheep	Total	Dressed weight	Production
	1,000 hd.			lb.	Mil lb.
1986					
I	1,438	72	1,510	60	90
II	1,246	97	1,343	58	78
III	1,324	80	1,404	58	81
IV	1,306	72	1,378	60	82
Year	3,514	321	5,635	59	331
1987					
I	1,213	57	1,270	60	76
II	1,211	79	1,290	58	75
III	1,241	75	1,316	59	77
IV	1,253	70	1,323	61	81
Year	4,918	281	5,199	59	309
1988					
I	1,292	62	1,354	63	85
II	1,178	82	1,260	63	80
III	1,255	80	1,335	60	80
IV	1,265	79	1,344	62	84
Year	4,990	303	5,293	62	329
1989					
I	1,306	66	1,372	64	88
II	1,198	96	1,294	62	80
III	1,264	101	1,365	59	81
IV	1,351	83	1,434	64	92
Year	5,119	346	5,465	62	341
1990					
I	1,356	67	1,423	65	93

1/ Classes estimated.

U.S.-South Korea Trade Dispute Ends

South Korea and the United States came to an agreement on March 22, 1990, over the beef trade dispute. South Korea has agreed to increase its beef import quota by 4,000 metric tons a year until 1992 from a base of 58,000 tons in 1990. This is a minimum access level and Korea's beef imports could rise beyond it. The agreement has also made it possible for more packers to bid on South Korea's tenders, increasing competition. Previously, the tenders were very large and packers would have to bid on the entire tender. As a result, only the largest packers could bid for the tenders. Now, packers can bid with a minimum of one container.

A modified simultaneous-buy-sell arrangement (SBS), accounting for 7 percent of the quota, will be put in place by October 1. The details for the SBS are still to be worked out, as well as further negotiations on access to the market after 1992 in accordance with the GATT ruling. In 1989, the United States shipped 25,000 tons of beef and veal, carcass weight, to South Korea, 5 percent of total U.S. beef exports. The United States supplied about one-quarter and Australia about two-thirds of Korea's beef imports last year.

Sheep and Lambs

Lamb and mutton production in the first quarter of 1990 was 93 million pounds, 6 percent above the previous year. As a result, slaughter lamb prices at San Angelo, Tex., declined 14 percent to $59.62 per cwt. The relatively large drop in price from first- quarter 1989 resulted from large slaughter in the typically low demand months of January and February. Production increased 19 and 7 percent from a year earlier in these months. Slaughter lamb prices at San Angelo declined 21 percent in January and 12 percent in February from a year ago. Lamb and mutton production in March declined 6 percent from a year ago. The spring religious holidays occurred in late March 1989 as opposed to mid April this year. The heaviest slaughter this year occurred in late March and early April.

Second-quarter lamb and mutton production is expected to increase to about 82 million pounds, up 2 million from 1989. Third- and fourth-quarter production is projected to increase 5 and 1 percent, respectively, from a year earlier. Production for the year may increase 4 percent to the highest level since 1984. Prices at San Angelo are likely to decline about 7 percent for the year as increased supplies face an inelastic demand. Second-quarter prices may average around $67-75 per cwt, down from $74.79 in 1989. Third- and fourth-quarter prices are expected to decline 8 and 2 percent from year earlier.

Hogs

The hog market will likely continue strong this spring and summer as production declines below a year ago before expanding this fall. Cutout values reached near record highs in April and May as pork supplies fell sharply from a year ago. Retail pork prices also reached a record high in March and likely will rise further in coming months.

Higher hog prices have turned producers' returns above total costs, a reversal from the lackluster returns since late 1988. Net returns were generally below breakeven from September 1988 to January 1990. For all of 1989, farrow-to-finish producers lost $7-8 per cwt of hogs sold based on total costs. Because of the poor returns, producers reduced their breeding herds and, consequently, the number of sows farrowing. Sows farrowing during December-February were below intentions reported last December. In addition, producers as of March 1 said they plan to have fewer sows farrow in March-August than a year earlier.

Producers Reduce Breeding Herd, Farrowing Intentions

Because of last year's losses, producers as of March 1 reduced their breeding inventories 4 percent below a year ago. They also reported intentions to have 3 percent fewer sows farrow in March-August than a year earlier. The largest breeding herd cutbacks among the 16 quarterly reporting States were in Tennessee, Kentucky, and Missouri, which

Table 41--Farrow-to-finish hog production costs and returns, 1,600 head annual sales, North Central Region 1/

Item	1989						1990			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	Dollars per cwt									
Cash receipts: 2/										
Market hogs (94.25 lbs)	44.81	44.49	41.67	44.57	43.12	46.41	45.28	46.00	48.81	50.28
Cull sows (5.75 lbs)	1.95	2.02	2.09	2.27	2.12	2.22	2.39	2.41	2.63	2.81
Total	46.76	46.51	43.76	46.84	45.24	48.63	47.67	48.41	51.44	53.09
Cash expenses										
Feed--										
Corn (345.6 lbs)	15.96	15.60	15.72	15.47	15.36	14.49	14.40	14.02	14.27	14.29
Soybean meal (70.6 lbs)	11.76	11.01	11.01	11.01	10.80	10.80	10.80	9.33	9.33	9.33
Mixing concentrates (14.3 lbs)	2.89	2.99	2.99	2.99	2.99	2.99	2.99	3.05	3.05	3.05
Total feed	30.61	29.60	29.72	29.47	29.15	28.28	28.19	26.40	26.65	26.67
Other--										
Veterinary and medicine 3/	0.76	0.78	0.78	0.78	0.78	0.78	0.78	0.80	0.80	0.80
Fuel, lube, and electricity	1.47	1.56	1.56	1.56	1.54	1.54	1.54	1.58	1.58	1.58
Machinery and building repairs	2.51	2.51	2.51	2.52	2.52	2.52	2.55	2.55	2.55	2.55
Hired labor 4/	1.48	1.48	1.48	1.48	1.48	1.48	1.53	1.53	1.53	1.53
Miscellaneous	0.67	0.69	0.69	0.69	0.69	0.69	0.69	0.70	0.70	0.70
Total variable expenses	37.50	36.62	36.74	36.50	36.16	35.29	35.28	33.56	33.81	33.83
General farm overhead	1.77	1.82	1.71	1.83	1.77	1.90	1.86	1.92	2.04	2.11
Taxes and insurance	0.70	0.74	0.74	0.74	0.70	0.70	0.70	0.72	0.72	0.72
Interest	4.05	3.80	3.58	3.83	3.70	3.97	3.90	3.85	4.09	4.22
Total fixed expenses	6.52	6.36	6.03	6.40	6.17	6.57	6.46	6.49	6.85	7.05
Total cash expenses 5/	44.02	42.98	42.77	42.90	42.33	41.86	41.74	40.05	40.66	40.88
Receipts less cash expenses	2.74	3.53	0.99	3.94	2.91	6.77	5.93	8.36	10.78	12.21
Capital replacement	5.83	5.95	5.95	5.95	6.03	6.03	6.03	6.08	6.08	6.08
Receipts less cash expenses and replacement	-3.09	-2.42	-4.96	-2.01	-3.12	0.74	-0.10	2.28	4.70	6.13

1/The feed rations and expense items do not necessarily coincide with the experience of the individual hog operations and are an average of a group of operators. For individual use, adjust expenses and prices for management, production levels, and locality of operation. 2/ Based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Includes costs of feed medication, that is usually included as part of the feed cost. 4/ Based on .204 hours per cwt of liveweight hog marketed. 5/ Does not include a charge for family or operator labor (.732 hours)

Table 42--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during 1989-90 Marketed during 1989-90	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept Jan.	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. May	Feb. June	Mar. July
Expenses: ($/head)												
40-50 lb feeder pig	34.74	34.24	28.85	24.25	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19
Corn (11 bu)	28.16	28.49	27.61	27.06	24.64	24.64	23.98	24.42	24.64	24.42	24.64	25.85
Protein supplement (130 lb)	22.04	22.04	22.04	22.29	22.29	22.29	20.93	20.93	20.93	19.83	19.83	19.83
Total feed	50.20	50.53	49.65	49.36	46.94	46.94	44.91	45.35	45.57	44.25	44.47	45.68
Labor & management (1.3 hr)	12.90	12.90	12.90	13.03	13.03	13.03	12.74	12.74	12.74	13.48	13.48	13.48
Vet medicine 2/	2.89	2.89	2.89	2.91	2.91	2.91	2.90	2.90	2.90	2.94	2.94	2.94
Interest on purchase (4 mo)	1.45	1.42	1.20	1.00	1.24	1.27	1.51	1.55	1.47	1.79	2.18	2.53
Power, equip, fuel, shelter deprec.2/	7.03	7.03	7.03	7.07	7.07	7.07	7.05	7.05	7.05	7.15	7.15	7.15
Death loss (4% of purchase)	1.39	1.37	1.15	0.97	1.20	1.23	1.49	1.53	1.45	1.78	2.18	2.53
Transportation (100 miles)	0.48	0.48	0.48	0.48	0.48	0.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscel. & indirect costs 2/	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.73	0.72	0.73	0.73	0.73
Total	112.94	112.72	106.01	100.93	104.73	105.51	110.19	111.79	109.73	118.32	129.16	139.85
Selling price required to cover: ($/cwt)												
Feed and feeder costs (220 lb)	38.61	38.53	35.68	33.46	34.97	35.30	37.35	38.04	37.17	40.38	44.95	49.49
All costs (220 lb)	51.34	51.24	48.19	45.88	47.61	47.96	50.09	50.81	49.88	53.78	58.71	63.57
Feed cost per 100-lb gain (180 lb)	27.89	28.07	27.58	27.42	26.08	26.08	24.95	25.19	25.32	24.58	24.71	25.38
Barrows and gilts, (7 mkts)	46.84	44.32	47.15	45.77	49.33	47.94	48.51	51.91	54.11			
Net margin	-4.50	-6.92	-1.04	-0.11	1.72	-.02	1.58	1.10	4.23			
Prices:												
40-lb feeder pig (So. Missouri) $/hd.	34.74	34.24	28.85	24.25	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19
Corn $/bu 3/	2.56	2.59	2.51	2.46	2.24	2.24	2.18	2.22	2.24	2.22	2.24	2.35
Protein supp. 38-42% $/cwt 4/	16.95	16.95	16.95	17.15	17.15	17.15	16.10	16.10	16.10	15.25	15.25	15.25
Labor & management $/hr 5/	9.92	9.92	9.92	10.02	10.02	10.02	9.80	9.80	9.80	10.37	10.37	10.37
Interest rate, annual	12.48	12.48	12.48	12.36	12.36	12.36	12.15	12.15	12.15	12.02	12.02	12.02
Transportation rate ($/cwt 100 miles) 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses ($/cwt) 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1220	1220	1220	1227	1227	1227	1224	1224	1224	1241	1241	1241

1/ Although a majority of operations in the Corn Belt are from farrow-to-finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

contain a large proportion of feeder pig producers. Losses for feeder pig producers were larger than for farrow-to-finish operators. The largest increases in breeding inventory were in Pennsylvania, Michigan, and Georgia. Although breeding inventories are down from a year ago, favorable returns this year may encourage hog producers to expand.

Producers hinted that they may be turning more optimistic by indicating larger March-May farrowing intentions on March 1 than on December 1. Higher cash and futures prices this spring should fuel the optimism. Thus, an upturn in breeding inventories may be on the horizon, pointing to larger pork supplies in 1991. However, with smaller corn stocks, adverse weather during the growing season or international events could cause a large upward swing in feed costs, which could dampen the optimism.

Pork Production Down, Prices Up

Due to reduced pig crops and market hog inventories, pork production will be below a year ago in the second and third quarters, but may rise in the fourth quarter. Hog and retail pork prices likely will average much above a year earlier in the second and third quarters due to reduced supplies of fresh and frozen pork.

However, larger supplies of fresh pork and increased imports will pressure prices in the fourth quarter. Fourth-quarter hog prices may average in the low $50's, while retail prices may average near $2.00 per pound. Retail prices usually decline slower than live hog prices. For all of 1990, commercial pork production may be down 2 percent from last year and hog prices may average $8-$12 per cwt higher than in 1989. Retail pork prices may average 9 to 13 percent higher.

Table 43--Hogs on farms, farrowings, and pig crops, United States 1/

Inventory	1988	1989	1990	1989/1988	1990/1989
	1,000 head			Percent change	
March 1 inventory	52,560	52,965	51,690	1	-2
Breeding	7,155	7,076	6,809	-1	-4
Market	45,405	45,889	44,881	1	-2
Under 60 lb	17,749	17,624	16,967	-1	-4
60-119 lb	10,822	10,995	10,808	2	-2
120-179 lb	9,143	9,498	9,408	4	-1
180 + lb	7,691	7,772	7,698	1	-1
June 1 inventory	56,185	55,880		-1	
Breeding	7,530	7,330		-3	
Market	48,655	48,550		0	
Under 60 lb	20,888	20,682		-1	
60-119 lb	11,985	12,085		1	
120-179 lb	8,780	8,780		0	
180 + lb	7,002	7,003		0	
Sept. 1 inventory	58,060	57,595		-1	
Breeding	7,189	6,867		-4	
Market	50,871	50,728		0	
Under 60 lb	19,560	19,233		-2	
60-119 lb	12,620	12,570		0	
120-179 lb	10,525	10,615		1	
180 + lb	8,166	8,310		2	
Dec. 1 inventory	55,469	53,852		-3	
Breeding	7,054	6,868		-3	
Market	48,415	46,983		-3	
under 60 lb	18,011	17,195		-5	
60-119 lb	12,394	12,185		-2	
120-179 lb	10,025	9,680		-3	
180 + lb	7,984	7,923		-1	
Sows farrowing					
Dec. 2/-Feb.	2,723	2,710	2,592	0	-4
March-May	3,307	3,304	3,192 3/	0	-3
Dec. 2/-May	6,030	6,014	5,784 3/	0	-4
June-August	3,072	2,991	2,912 3/	-3	-3
Sept.-Nov.	2,964	2,786		-6	
June-Nov.	6,036	5,777		-4	
Pig crop					
Dec. 2/-Feb.	21,061	21,068	20,300	0	-4
March-May	25,822	25,964		1	
Dec. 2/-May	46,883	47,032		0	
June-August	23,414	23,303		0	
Sept.-Nov.	22,586	21,549		-5	
June-Nov.	46,000	44,852		-2	
		Number			
Pigs per litter					
Dec. 2/-Feb.	7.73	7.77	783	1	1
March-May	7.81	7.86		1	
Dec. 2/-May	7.77	7.82		1	
June-Aug.	7.62	7.79		2	
Sept.-Nov.	7.62	7.74		2	
June-Nov.	7.62	7.76		2	

1/ March and September inventories not available for United States prior to 1988. 2/ December preceding year. 3/ Intentions.

Table 44--Hogs on farms, farrowings, and pig crops, 10 States

Inventory	1988	1989	1990	1989/1988	1990/1989
	1,000 head			Percent change	
March 1 inventory	41,470	41,655	40,470	0	-3
Breeding	5,555	5,440	5,250	-2	-3
Market	35,915	36,215	35,220	1	-3
Under 60 lb	13,930	13,865	13,309	0	-4
60-119 lb	8,580	8,678	8,421	1	-3
120-179 lb	7,420	7,550	7,476	2	-1
180 + lb	5,985	6,122	6,014	2	-2
June 1 inventory	44,065	44,020		0	
Breeding	5,630	5,565		-1	
Market	38,435	38,455		0	
Under 60 lb	16,428	16,310		-1	
60-119 lb	9,510	9,595		1	
120-179 lb	6,995	6,990		0	
180 + lb	5,502	5,560		1	
Sept. 1 inventory	45,000	45,200		0	
Breeding	5,460	5,335		-2	
Market	39,540	39,865		1	
Under 60 lb	15,095	15,085		0	
60-119 lb	9,885	9,885		0	
120-179 lb	8,270	8,465		2	
180 + lb	6,290	6,430		2	
Dec. 1 inventory	43,210	42,200		-2	
Breeding	5,335	5,280		-1	
Market	37,875	36,920		-3	
under 60 lb	13,955	13,445		-4	
60-119 lb	9,747	9,602		-1	
120-179 lb	7,898	7,609		-4	
180 + lb	6,275	6,264		0	
Sows farrowing					
Dec. 2/-Feb.	2,123	2,109	2,025	-1	-4
March-May	2,588	2,580	2,496 3/	0	-3
Dec. 2/-May	4,711	4,689	4,521 3/	0	-4
June-August	2,358	2,324		-1	
Sept.-Nov.	2,301	2,190		-5	
June-Nov.	4,659	4,514		-3	
Pig crop					
Dec. 2/-Feb.	16,496	16,441	15,841	0	-4
March-May	20,252	20,309		0	
Dec. 2/-May	36,748	36,750		0	
June-August	18,000	18,167		1	
Sept.-Nov.	17,520	16,890		-4	
June-Nov.	35,520	35,057		-1	
		Number			
Pigs per litter					
Dec. 2/-Feb.	7.77	7.80	782	0	0
March-May	7.83	7.87		1	
Dec. 2/-May	7.80	7.84		1	
June-Aug.	7.63	7.82		2	
Sept.-Nov.	7.61	7.71		1	
June-Nov.	7.62	7.77		2	

1/ March and September inventories not available for United States prior to 1988. 2/ December preceding year. 3/ Intentions.

First-Quarter Hog Prices Sharply Higher

Commercial pork production in first-quarter 1990 totaled 3.9 billion pounds, the same as last year. Weekly slaughter rates were generally steady, rather than the seasonal decline in February. However, barrow and gilt prices averaged about $49 per cwt, compared with $41 a year earlier. The first quarter was characterized by an unusual pattern of upward prices throughout the quarter, rather than a peak in February and a decline in March. The upward price trend continued into May as the weekly kill rate dropped sharply. Prices normally reach a first-half low in mid-April. Barrow and gilt prices rose into high $50's by the end of April, and averaged $54 per cwt for the month.

Lower pork imports and cold storage stocks helped tighten pork supplies in the first quarter. Stocks on March 31 were down by over a fourth. Wholesale pork prices were high relative to beef and poultry, making pork unattractive for featuring. Retail prices reached a record $1.97 a pound in March. With pork supplies tightening further through the third quarter, high wholesale prices will limit pork featuring. Thus, retail prices are expected to climb further in coming months, but large supplies of poultry could temper the pork price rise.

Slaughter Drops Sharply in April

Weekly slaughter under Federal inspection dropped about 8 percent in April, averaging about 1.628 million per week. Based on last fall's pig crop, weekly kills could drop to

Table 45--Sow slaughter balance sheet, United States

Item	1988	1989	1990
		1,000 head	
December 1 breeding 1/	7,080	7,054	6,868
December-February			
Comm. sow slaughter	884	957	934
Gilts added	959	979	875
March 1 breeding	7,155	7,076	6,809
March-May			
Comm. sow slaughter	868	975	
Gilts added	1,243	1,229	
June 1 breeding	7,530	7,330	
June-August			
Comm. sow slaughter	1,173	1,192	
Gilts added	832	729	
September 1 breeding	7,189	6,867	
September-November			
Comm. sow slaughter	1,104	1,105	
Gilts added	969	1,106	

1/ December previous year.

Table 46--Commercial hog slaughter 1/ and production

Year	Barrows & gilts	Sows	Boars	Total	Dressed wt.	Comm'l prod.
	------- 1,000 hd.	-------			lb.	Mil lb.
1986						
I	19,272	920	187	20,379	175	3,570
II	19,224	896	196	20,316	176	3,568
III	17,365	999	210	18,573	174	3,237
IV	19,223	927	179	20,330	178	3,623
Year	75,084	3,742	772	79,598	176	13,998
1987						
I	19,008	762	170	19,940	178	3,540
II	17,877	846	188	18,911	176	3,327
III	18,201	1,009	186	19,396	174	3,384
IV	21,776	888	170	22,834	178	4,061
Year	76,862	3,505	714	81,081	177	14,312
1988						
I	20,281	890	189	21,360	177	3,790
II	19,736	941	200	20,877	179	3,727
III	19,968	1,182	228	21,378	177	3,775
IV	22,932	1,054	194	24,180	179	4,331
Year	82,916	4,068	814	87,795	178	15,623
1989						
I	20,738	943	195	21,876	178	3,885
II	20,687	1,038	219	21,944	179	3,929
III	20,180	1,178	209	21,567	176	3,790
IV	22,048	1,069	187	23,304	178	4,155
Year	83,653	4,228	810	88,691	178	15,759
1990						
I	20,786	886	207	21,879	178	3,902

1/ Classes estimated.

about 1.5 million by early summer. After starting the quarter in the low $50's, barrow and gilt prices are expected to average $57 to $61 per cwt this spring, compared with $42 a year ago. Commercial pork production is expected to be down about 7 percent from a year earlier at 3.65 billion pounds.

Tight Supplies Keep Prices High

Pork production in the third quarter is expected to be slightly lower than the second quarter, with the third quarter down 4 percent from a year ago. Hog slaughter during July-September is indicated by the winter pig crop and the market pig inventory under 60 pounds on March 1. The pig crop and market hog inventory were down 4 percent from a year ago. Barrow and gilt prices are expected to average $55 to $61 per cwt, compared with $46 a year ago.

Table 47--Federally inspected hog slaughter

Week ended	1987	1988	1989	1990
		Thousands		
Jan.				
6	1,683	1,726	1,419	1,337
13	1,659	1,766	1,719	1,763
20	1,527	1,605	1,679	1,674
27	1,500	1,543	1,647	1,684
Feb.				
3	1,455	1,535	1,631	1,647
10	1,502	1,545	1,656	1,656
17	1,395	1,542	1,678	1,677
24	1,533	1,595	1,665	1,624
Mar.				
3	1,556	1,610	1,621	1,713
10	1,578	1,674	1,716	1,605
17	1,574	1,639	1,703	1,707
24	1,504	1,631	1,601	1,631
31	1,529	1,599	1,648	1,578
Apr.				
7	1,553	1,573	1,761	1,661
14	1,468	1,655	1,780	1,642
21	1,393	1,660	1,813	1,594
28	1,453	1,695	1,764	1,594
May				
5	1,475	1,654	1,732	
12	1,440	1,634	1,654	
19	1,448	1,577	1,632	
26	1,232	1,533	1,618	
June				
2	1,385	1,323	1,343	
9	1,372	1,489	1,589	
16	1,341	1,513	1,589	
23	1,356	1,503	1,533	
30	1,193	1,537	1,500	
July				
7	1,360	1,330	1,244	
14	1,345	1,537	1,557	
21	1,354	1,542	1,518	
28	1,334	1,456	1,501	
Aug.				
4	1,372	1,528	1,543	
11	1,445	1,571	1,612	
18	1,404	1,513	1,615	
25	1,475	1,563	1,610	
Sept.				
1	1,548	1,607	1,713	
8	1,363	1,517	1,545	
15	1,671	1,807	1,888	
22	1,621	1,868	1,853	
29	1,658	1,803	1,785	
Oct.				
6	1,640	1,830	1,810	
13	1,720	1,838	1,810	
20	1,664	1,845	1,797	
27	1,763	1,895	1,739	
Nov.				
3	1,792	1,908	1,812	
10	1,778	1,827	1,791	
17	1,772	1,920	1,901	
24	1,463	1,562	1,564	
Dec.				
1	1,845	1,956	1,908	
8	1,879	1,887	1,832	
15	1,729	1,800	1,716	
22	1,150	1,668	1,521	
29	1,458	1,420	1,443	

1/ Corresponding dates to 1990: 1987, Jan. 10; 1988, Jan. 9; 1989, Jan. 7.

Continued tight pork supplies and market momentum are expected to keep prices up until late summer, then rising production and imports may pressure prices lower. Contributing to higher third-quarter price strength is the large reduction of cold storage stocks. Freezer stocks at the beginning of the quarter are expected to be about a fourth lower than a year ago. Supplies of competing beef and poultry are expected to be more plentiful than a year ago, offering retailers an opportunity to feature those meats with attractive prices. With continued high wholesale pork prices, any pork features before late summer will likely be without price discounts. However, if prices break in late summer as expected, retailers would likely feature pork.

Table 48--Pork: Retail, wholesale, and farm values, spreads, and farmers' share

Year	Retail price 1/	Wholesale value 2/	Gross farm value 3/	By-product allowance 4/	Net farm value 5/	Farm retail spread: Total	Farm retail spread: Wholesale-retail	Farm retail spread: Farm-wholesale	Farmers' share 6/
	Cents per pound								Percent
1985	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46
1987	188.4	113.0	87.9	5.2	82.7	105.7	75.4	30.3	44
1988	183.4	101.0	73.8	4.6	69.4	114.0	82.4	31.6	38
I	183.9	104.3	76.4	4.6	71.8	112.1	79.6	32.5	39
II	184.8	105.1	78.0	4.6	73.4	111.4	79.7	31.7	40
III	185.9	99.5	75.0	4.6	70.4	115.5	86.4	29.1	38
IV	179.0	95.3	66.2	4.0	62.2	116.8	83.7	33.1	35
1989	182.9	99.2	75.0	4.6	70.4	112.5	83.7	28.8	38
I	180.0	92.9	69.4	4.3	65.1	114.9	87.1	27.8	36
II	178.6	94.6	71.5	4.4	67.1	111.5	84.0	27.5	38
III	183.9	100.8	78.2	4.8	73.4	110.5	83.1	27.4	40
IV	188.9	108.4	80.8	4.7	76.1	112.8	80.5	32.3	40
1990									
Jan.	195.1	104.8	81.5	4.9	76.6	118.5	90.3	28.2	39
Feb.	196.5	105.6	83.4	5.0	78.4	118.1	90.9	27.2	40
Mar.	197.0	110.9	88.5	5.2	83.3	113.7	86.1	27.6	42
I	196.2	107.1	84.5	5.1	79.4	116.8	89.1	27.7	40
Apr.	200.9	114.8	91.6	5.5	86.1	114.8	86.1	28.7	43

1/ Estimated weighted-average of BLS prices of retail cuts from pork carcass. 2/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used. 3/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 4/ Portion of gross farm value attributable to edible and inedible by-products. 5/ Gross farm value minus by-product allowance. 6/ Percent net farm value is of retail price.

Hog Prices May Drop Sharply in Fourth Quarter

Barrow and gilt prices are expected to break sharply in the fourth quarter with November lows reaching into the high $40's per cwt. Pork imports in second-half 1990 are expected to increase from a year earlier due to herd expansion in Denmark and high U.S. prices that attract more imports. Commercial pork production is projected to be about 3 percent above a year ago, despite the 3-percent decline in planned farrowings. Slaughter in 1989 was lower than the March-May pig crop. The anticipated March-May pig crop is only 2 percent below 1989 due largely to an expected increase in pigs per litter. Also, the projection anticipates that fourth-quarter slaughter will be about 94 percent of the U.S. March-May pig crop, compared with 91 in 1989. The previous 5-year average is 93 percent slaughtered.

The fourth quarter this year has an additional weekday, which adds 1 to 2 percent to quarterly slaughter. Barrow and gilt prices are expected to average in the low $50's, mainly due to increased pork supplies. Beef supplies may be smaller than in 1989, but broiler supplies likely will be larger. However, ham prices could lend some support to hog prices as per capita turkey supplies may be down slightly. The fourth-quarter holiday season is a peak demand period for turkeys and hams.

Retail Pork Prices May Rise 9-13 Percent

Retail pork prices in the first quarter continued the climb that began in mid-1989. First-quarter prices averaged $1.96 a pound, up 16 cents from 1989. Prices are expected to climb further in the second and third quarters averaging $2.05 to $2.10 per pound, then decline to around $2.00 in the fourth quarter. For 1990, retail prices may average 9 to 13 percent above 1989. The farm-retail spread may rise 2 to 4 percent from 1989. In 1989, the spread dropped slightly.

Pork Trade

U.S. Pork and Hog Imports Continue Slide

U.S. imports of pork and hogs continued to decline in the first 2 months of 1990. Pork imports equaled 129 million pounds in January and February, 22 percent below 1989. Although imports from Eastern Europe will probably remain low, higher prices in the United States and increased Danish production in the middle part of the year could boost 1990 imports to about 940 million pounds.

Table 49--U.S. pork trade, carcass weight 1/

Country or area	Annual 1989	January-February 1989	January-February 1990	Percent change
	Million pounds			Percent
Imports				
Canada	453.1	88.0	65.5	-25.5
Denmark	198.4	35.1	36.7	4.5
Poland	112.8	22.2	10.6	-52.1
Hungary	26.2	4.0	3.9	-3.7
Other	105.1	16.1	12.2	-24.6
Total	895.7	165.5	128.9	-22.1
Exports				
Japan	148.9	18.8	22.2	17.9
Canada	13.4	1.6	2.6	55.0
Mexico	63.2	12.1	8.8	-27.2
Caribbean	15.2	1.7	1.8	5.2
Other	26.9	3.8	11.1	194.7
Total	267.6	38.0	46.4	22.2

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Although well below historic levels, imports from Denmark in the first 2 months were up slightly to just under 37 million pounds. The December hog census indicates that the number of hogs on Danish farms was up slightly. However, EC prices, which peaked in the second half of 1989, have moderated and this could slow the expansion in production. Most of the increase in Danish hogs was in those weighing 110-240 pounds, while the number of bred sows and piglets was down relative to the previous census. The rise in market hogs could translate into more pork available for export to the United States and Japan by midyear, especially if production in the U.K., a major market for Danish pork increases. However, fewer sows farrowing and piglets could result in lower pork production later in the year.

Imports from Eastern Europe continue the dramatic decline begun in the second half of 1989. Imports from Poland, Yugoslavia, and Hungary were lower, with Polish imports down more than 50 percent and those from Yugoslavia 41 percent lower. Given the state of Eastern Europe's agricultural sectors and domestic demand, it is doubtful that their exports will increase during the year.

Imports of Canadian pork and hogs in January-February declined 26 percent and 21 percent, respectively. Agriculture Canada indicates that hogs on farms on January 1, 1990, were down 3 percent from 1989 and that farrowing intentions are 2 percent lower for the first quarter and unchanged for the second. Although this is expected to translate into a 2-percent decline in Canadian production, higher U.S. prices and a weakening of the Canadian dollar could stimulate increased sales to the United States.

The mix of hogs and pork exported to the United States will depend upon any changes in the countervailing duties on pork and hogs. Currently, Canada is challenging the validity of the countervailing duty on fresh, chilled, and frozen pork before the dispute settlement panel of the Canadian-U.S. Free Trade Agreement. A decision is expected in mid-August and any changes in either duty could influence the relative mix of pork and hogs shipped to the United States. Nonetheless, live hog imports by the United States will likely be lower in 1990.

Table 50--U.S. live hogs trade 1/

Country	Annual 1989	January-February 1989	January-February 1990	Percent change
	1,000 head			Percent change
Imports				
Canada	1,073.1	266.0	210.1	-21.0
(Under 110 lb)	169.4	25.6	28.9	13.0
Total	1,073.6	266.0	210.1	21.0
Exports				
Venezuela	3.1	3.0	0	---
Mexico	78.1	57.2	22.2	61.3
Other	12.1	.7	1.2	70.0
Total	93.3	60.9	23.3	-61.7

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Pork Exports Continue Expansion

U.S. pork exports continued to expand in the first months of 1990. Total pork exports increased 22 percent in January and February to 46 million pounds. Although exports to Mexico declined more than 27 percent, total exports were boosted by the shipment of pork to Poland and a 17-percent increase in pork bound for Japan in anticipation of the April holiday season.

However, Japanese import data indicate that imports from Taiwan increased dramatically in the last quarter of 1989 and Taiwan again became Japan's leading supplier in the first quarter of 1990. Greater pork exports by Taiwan and Denmark, coupled with higher U.S. prices and a strengthening dollar, could limit the growth of U.S. exports to Japan.

Overall, U.S. pork exports are expected to continue to increase but could slow in the latter part of the year. Exports for the year are likely to rise 3 percent from 1989 to about 275 million pounds.

Recent Developments in the Location and Size of Broiler Growout Operationsby

Agnes Perez and Lee A. Christensen [1]

Abstract: Examining significant changes in the location and size of broiler growout operations provides a basis for projecting the future of the broiler industry. Broiler production in the United States remains concentrated in the leading broiler producing States but there is a growing interest in moving production closer to grain areas or major consumer markets. Broiler growout operations appear to be concentrated in fewer and larger farms.

Keywords: Broilers, growout operations, production, location, concentration.

Introduction

Examining the changes in size distribution and location of broiler growout operations during 1959 to 1987 may provide insight for the future of the industry. While broiler production remains located in the leading States in the Southern region, whether expansion continues in this region depends on certain economic and environmental issues. This article analyzes data for evidence of changes in broiler production.

Historically, the location of the industry in the Southeast was aided and encouraged by the ready availability of a relatively low cost work force, and a warmer climate which reduced housing costs for the broilers. These factors offset the higher costs of feed, much of which had to be shipped into the region by rail, truck, or barge, and the increased costs of shipping meat to the major urban markets. As production increased in the "broiler belt," processing facilities, technical support companies, and university research and extension support grew as well, all contributing to a large infrastructure located in the major production areas.

Broiler production increased tremendously over the past three decades. Production grew from 3.7 billion pounds ready-to-cook in 1960 to 17.3 billion pounds in 1989, with 18.6 billion pounds estimated for 1990. These represented about 1.8 billion broilers raised in 1960 to around 5.5 billion broilers in 1989. Most of this increase was produced in the "broiler belt" encompassing the Delmarva Peninsula of Maryland, Delaware, and Virginia, the Southeastern States of Georgia, Alabama, North Carolina, and Mississippi, and the West South Central States of Arkansas and Texas. California was the only State with large production located outside this area. The National Agricultural Statistics Service's *Poultry—Production and Value* reports and the Bureau of Census's *1987 Census of Agriculture* were examined for changes occurring in the volume and location of broiler production and in the number and size of broiler growout facilities.

The South Dominates Broiler Production

The modern broiler industry developed in the Delmarva and southeastern United States, and remains concentrated in those regions. In 1960, the South produced 80 percent of the Nation's broilers. Their share grew to about 88 percent by 1980, and then declined slightly by 1989 (tables A-1 and A-2). The share of production raised in the Northeast declined significantly from over 8 percent to over 2 percent from 1960 to 1989. The north central States experienced a similar sharp decline in share, from 7 to 2 percent. The share of production in these two regions averaged less than 3 percent during the 1980's while the share of broilers produced in the West remained relatively constant, between 4 and 5 percent.

The Top 10 Broiler States Are Relatively Constant

As broiler production expanded, it remained concentrated in Arkansas, Georgia, Alabama, North Carolina, Mississippi, Texas, Maryland, Delaware, California, and Virginia. These States' share of total U.S. production remained in the low-to-mid-80 percent range from 1960 to 1989, averaging 83 percent in 1989 (table A-3).

Number of Broiler Farms Declining But Volume Increasing

Broiler growout production became concentrated in fewer and larger farms partially as a result of vertical integration and economies of size. Gains in production efficiencies during the last 10 years allowed growers to raise more than six broods per year, and thus increased their output by about one-third. Growers now raise birds to heavier slaughter weight in about 6-7 weeks, around 2 weeks less than in the 1970's (Lasley et.al.). The average number of broilers raised per farm (growout per farm) rose from about 34,000 birds in 1959 to almost 117,000 in 1982 and to about 158,000 in 1987. Production efficiencies resulted from more houses per farm, higher capacity per house, and increased number of broods per year, which contributed to the rise in production per farm.

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Figure A-1
Broiler Production by State

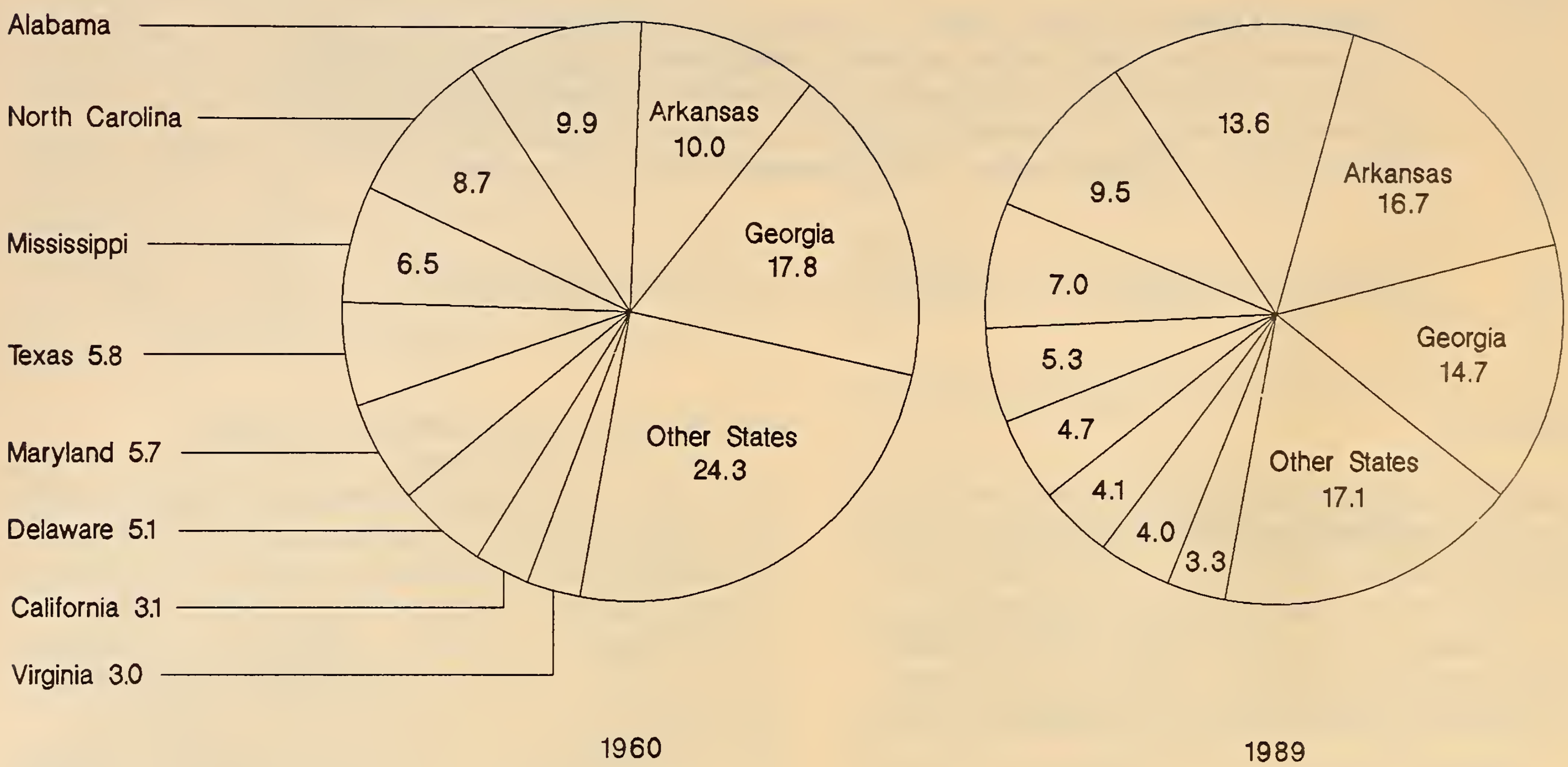
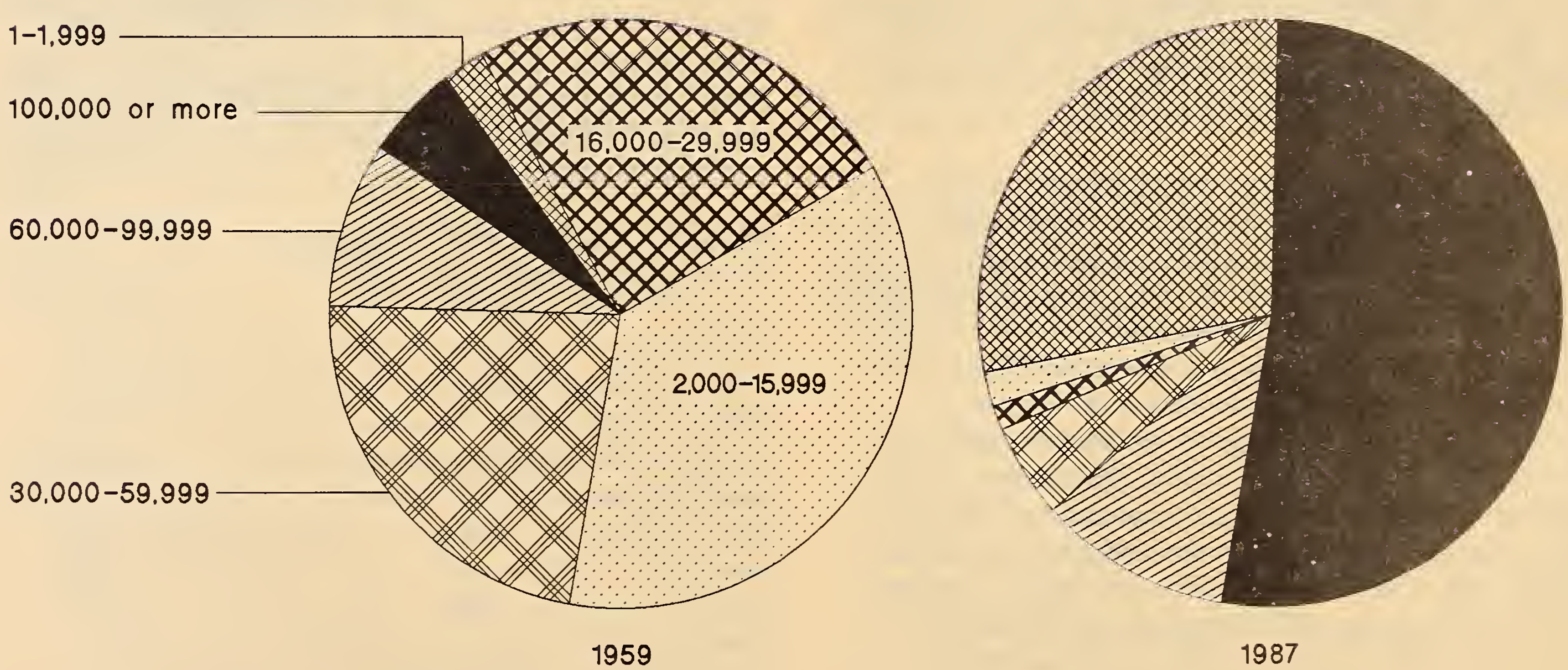


Figure A-2
Number of Farms Raising Broilers



Share of total broiler farms by farm size category.

The number of farms raising broilers and other meat-type chickens declined almost 30 percent between 1959 and 1982. There was an additional decline of almost 8 percent between 1982 and 1987. The number of farms growing broilers and other meat-type chickens declined from 42,185 in 1959 to 30,100 in 1982, and to 27,645 in 1987 (table A-4). Over 50 percent of the broiler farms in 1987 had an annual growout of 100,000 or more birds, and represented over 90 percent of total production. This was up from 43 percent of the farms in 1982 raising over 100,000 birds, representing 89 percent of total growout production. The 1987 data are in sharp contrast to just over 5 percent of the farms raising over 100,000 birds in 1959, representing 28 percent of total growout. The number of farms raising at least 100,000 birds increased from 2,254 in 1959 to 13,214 in 1982 and 14,473 in 1987.

Farms with less than 100,000 birds, while representing about 48 percent of the farms in 1987, raised only a fraction of total growout, just over 5 percent. Most of this group had 2,000 birds or less and represented specialty producers' output or meat raised for home consumption. These smaller farms raised a combined total of only about 1 to 2 million birds per year, a small fraction of total broilers from 1959 to 1987.

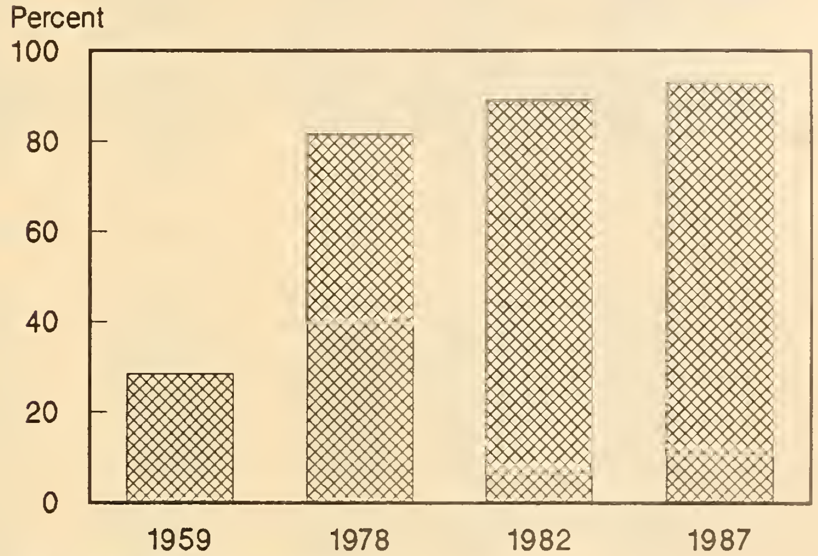
In 1982, large farms (with 100,000 birds and over) averaged nearly 240,000 birds per farm. In comparison, these farms averaged over 280,000 birds per farm in 1987. Broiler growout rose from 1.4 billion birds in 1959 to 3.5 billion in 1982, and to 4.4 billion birds in 1987 on all farms.

Some Emerging Production Areas

Interest in broiler production has been generated in a number of States outside the broiler belt trying to diversify their agricultural base. The prosperity and growth of the poultry industry has sparked this interest. Recent studies looked at the possibilities of establishing new broiler production complexes closer to the major grain areas or major consumer markets (for example see Rahn et.al. and Trede et.al). Construction in these areas has not significantly shifted location concentration. However, a complex is under construction in Graves County, Kentucky, in the southwestern corner of the State. Between 230 and 250 growers will be supplying birds for a new processing plant under construction in Mayfield, Kentucky. The complex, which is expected to be in operation in late 1990, is designed to process about 800,000 birds per week, some of which will be cut-up products (personal communications with University of Kentucky personnel). Its completion will represent a major new broiler complex in a heavy grain producing area near major markets.

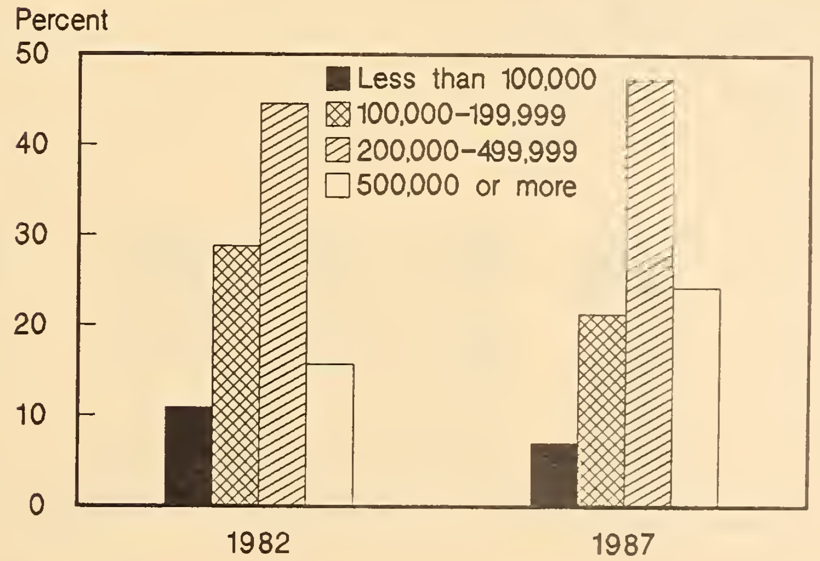
While broiler production continues to be concentrated in the traditional areas, growth in production is occurring in areas outside the main broiler belt States. For example, Oklahoma and Missouri more than doubled the number of broilers they

Figure A-3
Large Operations' Share of U.S. Broiler Production



Firms raising 100,000 or more birds per year.

Figure A-4
Broilers Raised in Large Operations



By size group.

Table A-1. Regional production of broilers as a share of total U.S. broiler production, selected years

	1960	1965	1970	1975	1980	1985	1988	1989
				Percent				
New England	5.2	3.9	2.8	2.8	0.0	0.0	0.0	0.0
Mid-Atlantic	3.0	2.0	1.9	2.3	2.8	2.2	2.5	2.4
NORTHEAST	8.2	5.9	4.7	5.1	2.8	2.2	2.5	2.4
East North Central	4.4	2.1	1.3	1.4	0.7	0.5	0.5	0.5
West North Central	2.6	1.9	1.3	1.3	1.2	0.7	1.8	2.1
NORTH CENTRAL	7.0	4.0	2.7	2.7	1.9	1.1	2.2	2.6
South Atlantic	43.3	42.3	41.7	40.7	41.8	43.3	41.0	40.5
South Central	36.5	43.5	46.4	47.2	46.4	43.1	46.6	46.9
SOUTH	79.8	85.8	88.1	87.9	88.2	86.4	87.6	87.4
Mountain	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Pacific	4.6	4.0	4.5	4.3	4.8	4.8	5.0	5.0
WEST	5.0	4.3	4.5	4.3	4.8	4.8	5.0	5.0
OTHER STATES 1/	0.0	0.0	0.0	0.0	2.2	5.5	2.7	2.6
U.S. TOTAL 2/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ States combined with other States to avoid disclosing individual operations. 2/ Excludes States producing less than 500,000 birds.

Table A-2. Regional production of broilers as a share of total U.S. broiler production, selected years

Region	1960	1965	1970	1975	1980	1985	1988	1989
				-------- Thousands Birds --------				
New England								
Maine	54,148	68,357	76,068	81,035	1/	1/	1/	1/
New Hampshire	5,615	2,051						
Vermont	507	166						
Massachusetts	9,500	6,079	1,717					
Rhode Island	1,517	935						
Connecticut	22,184	11,806	6,254	1,039				
Mid-Atlantic								
New York	10,328	3,208	2,194	1,450	600	1,750	2,500	3,300
New Jersey	5,500	1,500	1,800					
Pennsylvania	37,725	42,962	53,677	65,770	111,553	94,696	126,900	127,700
NORTHEAST	147,024	137,064	141,710	149,294	112,153	96,446	129,400	131,000
East North Central								
Illinois	5,487	620						
Indiana	36,102	23,829	13,710	12,295	1/	1/	1/	1/
Michigan	3,200	1,882	699	510	1,552	1,300	750	760
Ohio	14,017	10,004	9,548	16,666	14,550	9,000	12,000	16,000
Wisconsin	20,666	12,576	15,031	11,067	11,390	11,200	13,100	11,600
West North Central								
Iowa	3,522	2,603	2,710	3,250	3,000	2,000	3,000	4,000
Kansas	1,891	556	960	627				
Minnesota	6,619	9,020	10,952	10,092	19,400	26,900	33,100	38,200
Missouri	31,750	30,700	24,282	23,369	23,561	1/	54,500	70,100
Nebraska	2,175	1,184	1,371	1,720	2,000	885	1,129	2,150
North Dakota							1/	1/
South Dakota							1/	1/
NORTH CENTRAL	125,429	92,974	79,263	79,596	75,453	51,285	117,579	142,810
South Atlantic								
Delaware	91,343	109,293	135,574	136,278	166,729	196,399	217,455	226,415
Florida	10,101	12,855	46,578	64,347	87,143	104,207	123,198	123,562
Georgia	320,250	402,770	453,886	416,599	573,899	677,224	772,825	811,964
Maryland	102,812	144,759	187,137	179,769	236,920	272,429	252,400	257,766
North Carolina	156,600	234,477	308,624	283,986	399,592	447,300	500,100	523,000
South Carolina	17,480	16,448	27,670	27,405	43,124	60,367	70,832	76,905
Virginia	54,511	47,884	69,099	77,751	126,358	154,096	175,748	182,371
West Virginia	24,772	18,605	17,439	15,798	21,786	25,689	35,166	35,348
South Central								
Alabama	176,654	285,077	376,112	395,769	494,709	561,757	702,784	750,074
Arkansas	180,397	320,135	450,779	481,886	634,877	759,963	896,832	920,498
Kentucky	16,520	10,737	7,334	5,870	3,195	3,176	2,704	2,272
Louisiana	20,250	31,579	51,099	50,662	98,957	1/	1/	1/
Mississippi	115,900	167,867	247,795	231,301	275,978	328,732	360,971	387,336
Oklahoma	6,711	13,170	20,000	28,770	45,014	61,730	120,900	135,100
Tennessee	33,340	44,893	46,237	32,000	66,929	1/	87,000	99,300
Texas	105,203	142,217	185,534	166,169	221,081	215,900	266,300	291,600
SOUTH	1,432,844	2,002,766	2,630,897	2,594,360	3,496,291	3,868,969	4,585,215	4,823,509
Mountain								
Montana								
Idaho	3,850	4,651						
Wyoming								
Colorado	1,183							
New Mexico								
Arizona	697							
Utah	1,846	2,281	1,206					
Nevada								
Pacific								
Washington	15,505	21,030	21,118	15,235	20,000	23,000	28,200	30,500
Oregon	11,738	11,200	24,803	14,000	16,500	14,400	17,300	20,000
California	54,817	59,852	85,927	95,825	152,400	174,338	212,199	222,382
Alaska								
Hawaii		1,292	1,845	1,789	2,576	2,359	2,261	2,249
WEST	89,636	100,306	134,899	126,849	191,476	214,097	259,960	275,131
OTHER STATES		523			87,838	247,952	143,451	145,681
U.S. TOTAL 2/	1,794,933	2,333,633	2,986,769	2,950,099	3,963,211	4,478,749	5,235,605	5,518,133

1/ States combined as other States to avoid disclosing individual operations. 2/ Excludes States producing less than 500,000 birds.

Table A-3--Ten leading States in broiler production, by rank, selected years

State	1960	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
	Million birds												
Arkansas	180	451	482	635	675	668	673	725	760	787	879	897	920
Georgia	320	454	417	574	615	611	627	637	677	697	733	773	812
Alabama	177	376	396	495	519	500	516	537	562	588	667	703	750
North Carolina	157	309	284	400	423	419	420	428	447	451	478	500	523
Mississippi	116	248	231	276	290	299	316	312	329	336	343	361	387
Texas	105	186	166	221	232	223	213	200	216	239	259	266	292
Maryland	103	187	180	237	253	267	260	271	272	264	264	252	258
Delaware	91	136	136	167	170	178	182	190	196	197	210	217	226
California	55	86	96	152	159	167	172	175	174	185	196	212	222
Virginia	54	69	78	126	134	140	144	148	154	154	154	176	182
Maine*	54	76	81	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
10-State total	1,358	2,509	2,469	3,283	3,470	3,472	3,523	3,623	3,787	3,898	4,183	4,357	4,573
U.S. total	1,795	2,987	2,950	3,964	4,150	4,151	4,184	4,283	4,470	4,648	5,004	5,235	5,518
	Percent												
10-State share of U.S. total	76	84	84	83	84	84	84	85	85	84	84	83	83

1/ Maine production combined with other states to avoid disclosing individual operations; refer to Table 2.
* Maine was included in the top ten in 1970 and 1975 instead of Virginia.

Source: USDA, NASS, Agriculture Statistics Board, Poultry Production, Disposition, and Income. various issues.

Table A-4. Farms selling broilers and number of broilers sold by size groups, selected years 1/

Size Category	1987 Farms	1987 Broilers	1987 Distribution Farms	1987 Distribution Broilers	1982 Farms	1982 Broilers	1982 Distribution Farms	1982 Distribution Broilers
	Number	1,000	Percent		Number	1,000	Percent	
1-1,999	7,876	1,226	28.5	0.03	10,353	1,284	34.4	0.04
2,000-15,999	544	4,277	1.9	.10	589	5,065	2.0	.14
16,000-29,999	374	8,469	1.3	.2	451	10,157	1.5	.3
30,000-59,999	1,442	65,066	5.2	1.5	1,816	81,791	6.0	2.3
60,000-99,999	2,936	226,558	10.6	5.2	3,677	283,477	12.2	8.1
100,000-199,999	6,344	929,169	22.9	21.3	7,087	1,011,761	23.5	28.8
200,000-499,999	6,992	2,066,777	25.3	47.4	5,509	1,569,477	18.3	44.6
500,000 or more	1,137	1,060,432	4.1	24.3	618	553,611	2.1	15.7
TOTAL	27,645	4,361,976	100.0	100.0	30,100	3,516,623	100.0	100.0

Size Category	1978 Farms	1978 Broilers	1978 Distribution Farms	1978 Distribution Broilers	1959 Farms	1959 Broilers	1959 Distribution Farms	1959 Distribution Broilers
	Number	1,000	Percent		Number	1,000	Percent	
1-1,999	11,725	1,544	34.0	2/	954	1,151	2.3	0.1
2,000-3,999	159	421	.5	.1 2/	2,388	6,497	5.7	.5
4,000-7,999	256	1,462	.7	2/	4,473	25,287	10.6	1.8
8,000-15,999	555	6,510	1.6	.2	8,347	96,769	19.8	6.8
16,000-29,999	895	19,992	2.6	.6	10,334	222,889	24.5	15.7
30,000-59,999	3,114	138,928	9.0	4.4	9,587	384,480	22.7	27.1
60,000-99,999	5,432	409,344	15.8	13.1	3,848	277,524	9.1	19.6
100,000 or more	12,338	2,557,421	35.8	81.6	2,254	404,683	5.3	28.5
TOTAL	34,474	3,135,619	100.0	100.0	42,185	1,419,280	100.0	100.0

1/ Farms with sales actually refers to the number of broiler growout farms. Sales of broilers refers to the number of broilers raised on the growout farms.
2/ Small-size groups combined.

Source: U.S. Department of Commerce, Bureau of Census. Census of Agriculture, 1987, and selected prior issues.

raised from 1980 to 1989, reflecting a spillover of growout facilities from adjoining Arkansas. Increases in Minnesota partially reflect processor expansion to assure supply for their further processed products. Other States with increases in the number of broilers raised are Tennessee, South Carolina, and Pennsylvania, reflecting a spillover from the southeast production centers and from the Delmarva Peninsula.

Some of this spillover merely reflect individual firm decisions which are not indicative of general trends. However, further growth in broiler production in the traditional areas is becoming increasingly constrained by economic and environmental pressures. High concentrations of broilers result in increasingly complex problems associated with waste management, water quality, and disease. Furthermore, as urbanization occurs near major growout centers, land prices and labor costs often rise, increasing expansion costs. Areas with underemployed resources and without the population and environmental pressures sometimes offer financial and other incentives to attract broiler production complexes.

Summary

Broiler production is firmly established in the broiler belt. However, some States recently experienced growth in production, particularly in those adjacent to the broiler belt. The broiler industry is concentrating growout operations into fewer but larger farms. In 1987 there were 27,645 broiler growout operations compared with 42,185 in 1959. Large farms (with 100,000 or more birds) constituted over 50 percent of the total number of growout operations and 93 percent of total production. This shows a significant change from only 5.3 percent large farms in 1959 with 28 percent of production.

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List of Tables

Table 51--Average retail price per pound of specified meat cuts

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Choice Beef:												
Ground chuck												
1988	1.74	1.74	1.75	1.74	1.74	1.77	1.75	1.74	1.77	1.78	1.81	1.79
1989	1.81	1.80	1.85	1.82	1.82	1.80	1.81	1.82	1.82	1.84	1.87	1.88
1990	1.91	1.95	1.94	1.97								
Ground beef												
1988	1.31	1.32	1.34	1.34	1.36	1.39	1.37	1.37	1.37	1.39	1.41	1.40
1989	1.40	1.37	1.43	1.42	1.44	1.44	1.44	1.45	1.46	1.45	1.49	1.50
1990	1.56	1.57	1.57	1.59								
Chuck roast, bone in												
1988	1.64	1.74	1.69	1.72	1.80	1.78	1.70	1.67	1.74	1.74	1.74	1.80
1989	1.81	1.91	1.87	1.89	1.90	1.86	1.86	1.78	1.88	1.89	1.92	2.00
1990	2.03	2.12	2.05	2.10								
Round roast, boneless												
1988	2.56	2.61	2.67	2.60	2.61	2.66	2.63	2.64	2.64	2.60	2.68	2.68
1989	2.75	2.75	2.76	2.77	2.78	2.73	2.73	2.71	2.78	2.78	2.77	2.78
1990	2.91	2.89	2.93	2.92								
Rib roast, bone in												
1988	3.57	3.59	3.66	3.75	3.72	3.93	4.02	4.04	4.12	4.12	4.10	4.03
1989	4.11	4.04	4.06	4.16	4.24	4.06	4.34	4.29	4.19	4.17	4.19	4.21
1990	4.29	4.29	4.37	4.33								
Round steak, boneless												
1988	2.88	2.94	2.94	3.01	3.00	3.05	2.99	2.99	3.04	2.98	3.00	3.01
1989	3.07	3.09	3.12	3.14	3.10	3.06	3.11	3.12	3.10	3.12	3.18	3.17
1990	3.30	3.31	3.27	3.29								
Sirloin steak, bone in												
1988	2.99	3.04	3.12	3.18	3.35	3.49	3.54	3.39	3.45	3.30	3.36	3.23
1989	3.39	3.40	3.61	3.57	3.70	3.67	3.70	3.66	3.62	3.55	3.57	3.46
1990	3.58	3.55	3.52	3.80								
Chuck steak, bone in 1/												
1988	1.61	1.62	1.64	1.65	1.67	1.71	1.70	1.69	1.70	1.70	1.72	1.71
1989	1.74	1.74	1.78	1.78	1.79	1.78	1.79	1.79	1.80	1.80	1.81	1.83
1990	1.86	1.89	1.89	1.91								
T-Bone steak, bone in												
1988	4.31	4.27	4.33	4.43	4.54	4.90	5.18	5.20	4.86	4.84	4.83	4.97
1989	4.95	4.91	5.05	5.04	5.14	5.16	5.22	5.10	5.15	5.08	4.99	5.04
1990	5.11	4.56	4.71	4.78								
Porterhouse steak, 1/ bone in												
1988	4.40	4.43	4.48	4.51	4.56	4.66	4.63	4.60	4.64	4.64	4.68	4.68
1989	4.74	4.76	4.86	4.86	4.89	4.87	4.88	4.89	4.90	4.90	4.96	4.99
1990	5.09	5.16	5.17	5.23								
Pork:												
Bacon, sliced												
1988	1.95	1.94	1.92	1.91	1.90	1.90	1.91	1.88	1.84	1.86	1.80	1.79
1989	1.80	1.80	1.79	1.75	1.68	1.69	1.71	1.72	1.72	1.77	1.82	1.96
1990	1.97	2.01	1.99	1.98								
Chops, center cut												
1988	2.66	2.72	2.68	2.71	2.78	2.93	2.90	2.87	2.90	2.77	2.67	2.65
1989	2.78	2.75	2.80	2.80	2.76	2.82	2.91	2.92	2.95	2.89	2.97	2.85
1990	3.02	2.96	3.01	3.16								
Ham, rump or shank half 1/												
1988	1.63	1.57	1.60	1.58	1.58	1.62	1.62	1.62	1.61	1.59	1.56	1.55
1989	1.58	1.57	1.57	1.58	1.56	1.58	1.61	1.63	1.62	1.63	1.66	1.66
1990	1.70	1.70	1.72	1.72								
Sirloin roast, bone in 1/												
1988	1.92	1.90	1.90	1.88	1.89	1.94	1.93	1.93	1.92	1.89	1.86	1.85
1989	1.88	1.88	1.88	1.88	1.86	1.89	1.92	1.94	1.93	1.94	1.97	1.98
1990	2.02	2.02	2.04	2.06								
Shoulder picnic, bone in												
1988	1.14	1.13	1.14	1.12	1.09	1.15	1.13	1.11	1.11	1.10	1.12	1.10
1989	1.12	1.06	1.06	1.08	1.07	1.08	1.09	1.10	1.10	1.10	1.12	1.17
1990	1.14	1.18	1.18	1.21								
Sausage, fresh, pork, loose												
1988	2.05	1.97	1.99	2.02	2.02	1.95	1.99	1.94	1.95	1.90	1.89	1.92
1989	1.92	1.94	1.92	1.93	1.94	1.93	1.99	2.04	2.02	2.10	2.11	2.12
1990	2.12	2.20	2.16	2.21								
Miscellaneous cuts:												
Ham, canned, 3 or 5 lb												
1988	2.77	2.75	2.71	2.73	2.74	2.73	2.77	2.73	2.74	2.74	2.69	2.60
1989	2.75	2.71	2.63	2.70	2.64	2.68	2.66	2.65	2.70	2.68	2.61	2.62
1990	2.72	2.77	2.75	2.68								
Frankfurters, all meat												
1988	2.02	2.04	2.05	2.01	2.02	2.02	2.01	2.02	2.00	2.02	2.03	2.04
1989	2.08	2.07	2.07	2.03	2.05	2.02	2.01	2.09	2.09	2.04	2.10	2.11
1990	2.16	2.22	2.23	2.19								
Bologna												
1988	2.24	2.23	2.23	2.20	2.18	2.24	2.26	2.29	2.25	2.27	2.28	2.24
1989	2.22	2.24	2.23	2.24	2.23	2.24	2.24	2.27	2.34	2.38	2.37	2.40
1990	2.42	2.44	2.45	2.47								

1/ While these specific cut prices are no longer available from the Bureau of Labor Statistics (BLS), ERS uses the BLS index and historical data to estimate these prices monthly.

Source: Bureau of Labor Statistics.

Table 52--Red meat supply and utilization, carcass and retail weight 1/

Year	Production: Commer-cial	Production: Farm	Begin-ning stocks	Im-ports	Total supply	Ex-ports	Ending stocks	Total disap-pearance	Per capita: Carcass weight	Per capita: Retail weight
	Million pounds								Pounds	
Beef:										
1988										
I	5,700	58	386	703	6,847	134	419	6,294	25.6	18.0
II	5,784	25	419	668	6,896	155	332	6,409	26.1	18.4
III	6,185	24	332	585	7,126	188	409	6,529	26.5	18.7
IV	5,755	58	409	423	6,645	203	422	6,020	24.3	17.2
Year	23,424	165	386	2,379	26,354	680	422	25,252	102.5	72.3
1989										
I	5,530	40	422	566	6,558	212	398	5,948	24.0	16.9
II	5,777	17	398	533	6,725	271	322	6,132	24.7	17.4
III	5,893	16	322	524	6,755	284	307	6,164	24.8	17.5
IV	5,774	40	307	532	6,673	295	335	6,043	24.2	17.1
Year	22,974	113	422	2,175	25,684	1,062	335	24,287	97.7	68.9
1990										
I	5,507	40	335	580	6,462	240	358	5,864	23.5	16.5
Year 2/	23,032	113	335	2,140	25,620	1,200	315	24,105	96.2	67.8
Pork:										
1988										
I	3,790	22	347	310	4,469	25	419	4,025	16.4	15.5
II	3,727	9	419	287	4,442	60	439	3,943	16.0	15.2
III	3,775	8	439	274	4,496	51	352	4,093	16.6	15.7
IV	4,331	22	352	266	4,971	59	414	4,498	18.2	17.2
Year	15,623	61	347	1,137	17,168	195	414	16,559	67.2	63.5
1989										
I	3,885	19	414	251	4,569	55	468	4,047	16.3	15.5
II	3,929	8	468	247	4,652	67	459	4,126	16.6	15.8
III	3,790	8	459	198	4,455	66	337	4,052	16.3	15.4
IV	4,155	19	337	200	4,711	80	285	4,346	17.4	16.5
Year	15,759	54	414	896	17,123	268	285	16,570	66.6	63.2
1990										
I	3,902	19	285	200	4,406	70	351	3,985	15.9	15.1
Year 2/	15,477	54	285	940	16,756	275	375	16,106	64.2	60.9
Veal:										
1988										
I	97	4	4	9	114	2	5	107	0.4	0.4
II	92	1	5	4	102	2	4	96	0.4	0.3
III	99	1	4	6	110	3	3	104	0.4	0.3
IV	99	3	3	8	113	3	5	105	0.4	0.4
Year	387	9	4	27	427	10	5	412	1.7	1.4
1989										
I	91	4	5	0 3/	100	0	7	93	0.4	0.3
II	85	1	7	0	93	0	6	87	0.4	0.3
III	84	2	6	0	92	0	5	87	0.3	0.3
IV	84	4	5	0	93	0	4	89	0.4	0.3
Year	344	11	5	0	360	0	4	356	1.4	1.2
1990										
I	79	4	4	0	87	0	4	83	0.3	0.3
Year 2/	319	9	4	0	332	0	4	328	1.3	1.1
Lamb and Mutton:										
1988										
I	85	2	8	19	114	0	7	107	0.4	0.4
II	80	1	7	15	103	0	9	94	0.4	0.3
III	80	1	9	8	98	0	7	91	0.4	0.3
IV	84	2	7	9	102	1	6	95	0.4	0.3
Year	329	6	8	51	394	1	6	387	1.6	1.4
1989										
I	88	2	6	16	112	1	7	104	0.4	0.4
II	80	1	7	16	104	0	8	96	0.4	0.3
III	81	1	8	15	105	1	7	97	0.4	0.3
IV	92	2	7	16	117	0	8	109	0.4	0.4
Year	341	6	6	63	416	2	8	406	1.6	1.5
1990										
I	93	2	8	16	119	1	8	110	0.4	0.4
Year 2/	353	6	8	58	425	2	7	416	1.7	1.5
Total red meat:										
1988										
I	9,672	86	745	1,041	11,543	161	850	10,532	42.9	34.3
II	9,683	36	850	974	11,543	217	784	10,542	42.9	34.2
III	10,139	34	784	873	11,830	242	771	10,817	43.8	35.0
IV	10,269	85	771	706	11,831	266	847	10,718	43.3	35.0
Year	39,763	241	745	3,594	44,343	886	847	42,610	173.0	138.6
1989										
I	9,594	65	847	833	11,339	268	880	10,192	41.1	33.1
II	9,871	27	880	796	11,574	338	795	10,441	42.0	33.8
III	9,848	27	795	737	11,407	351	656	10,400	41.8	33.5
IV	10,105	65	656	768	11,594	375	632	10,587	42.4	34.3
Year	39,418	184	847	3,134	43,583	1,332	632	41,619	167.4	134.7
1990										
I	9,581	65	632	796	11,074	311	721	10,042	40.2	32.3
Year 2/	39,181	182	632	3,138	43,133	1,477	701	40,955	163.3	131.2

1/ May not add due to rounding. 2/ Forecast. 3/ Beginning in 1989 veal trade no longer reported separately.

Table 53--Poultry supply and utilization

Year	Slaughter			Beginning stocks	Total supply	Exports	Ending stocks	Total disappearance	Per capita Retail weight
	Federally Inspected	Other	Total						
	Million pounds								Pounds
Young chicken:									
1988									
I	3,996	20	4,016	25	4,041	163	36	3,842	15.7
II	4,079	21	4,100	36	4,136	190	41	3,904	15.9
III	4,035	6	4,041	41	4,082	198	32	3,852	15.6
IV	4,015	15	4,030	32	4,062	214	36	3,811	15.4
Year	16,124	62	16,187	25	16,212	765	36	15,410	62.5
1989									
I	4,129	21	4,150	36	4,186	185	32	3,969	16.0
II	4,389	24	4,413	32	4,445	218	34	4,192	16.9
III	4,395	25	4,420	34	4,455	202	36	4,217	16.9
IV	4,420	25	4,445	36	4,481	254	38	4,189	16.8
Year	17,334	94	17,428	36	17,464	859	38	16,567	66.6
1990									
I	4,495	26	4,521	38	4,559	280	32	4,247	17.0
Year 2/	18,610	103	18,712	38	18,751	1,070	30	17,651	70.4
Other chicken:									
1988									
I	153	26	179	188	368	6	197	165	0.7
II	150	26	175	197	372	4	161	207	0.8
III	112	19	131	161	292	7	147	138	0.6
IV	125	21	147	147	294	8	157	129	0.5
Year	540	92	633	188	821	26	157	639	2.6
1989									
I	137	12	148	157	305	5	146	153	0.6
II	135	12	147	146	293	5	158	131	0.5
III	132	11	143	158	301	6	155	139	0.6
IV	126	11	136	155	292	8	189	95	0.4
Year	530	45	575	157	731	24	189	518	2.1
1990									
I	133	11	145	189	334	7	219	108	0.4
Year 2/	533	45	579	189	768	25	180	563	2.2
Total chicken:									
1988									
I	4,149	46	4,195	213	4,408	169	232	4,007	16.3
II	4,229	47	4,275	232	4,508	194	202	4,112	16.7
III	4,147	25	4,172	202	4,374	205	180	3,990	16.2
IV	4,140	36	4,176	180	4,356	223	192	3,940	15.9
Year	16,665	155	16,819	213	17,032	791	192	16,049	65.2
1989									
I	4,266	33	4,299	192	4,491	190	179	4,122	16.6
II	4,524	35	4,559	179	4,738	223	192	4,323	17.4
III	4,527	36	4,563	192	4,756	208	191	4,356	17.5
IV	4,546	35	4,581	191	4,773	262	228	4,283	17.2
Year	17,864	139	18,003	192	18,195	883	228	17,085	68.7
1990									
I	4,628	37	4,665	228	4,893	287	250	4,355	17.4
Year 2/	19,143	148	19,291	228	19,519	1,095	210	18,214	72.6
Turkey:									
1988									
I	837	8	844	266	1,111	13	339	759	3.1
II	981	2	983	339	1,322	11	457	854	3.5
III	1,066	16	1,082	457	1,539	15	573	951	3.9
IV	1,040	10	1,050	573	1,623	11	250	1,362	5.5
Year	3,923	37	3,960	266	4,226	51	250	3,926	15.9
1989									
I	804	17	820	250	1,070	8	269	793	3.2
II	1,014	25	1,039	269	1,308	10	455	844	3.4
III	1,176	30	1,206	455	1,661	12	569	1,080	4.3
IV	1,181	30	1,211	569	1,780	11	236	1,534	6.1
Year	4,175	101	4,276	250	4,526	40	236	4,250	17.1
1990									
I	983	23	1,007	236	1,243	12	317	913	3.7
Year 2/	4,463	108	4,571	236	4,807	48	250	4,509	18.0
Total poultry:									
1988									
I	4,986	54	5,040	479	5,519	182	571	4,765	19.4
II	5,210	49	5,259	571	5,830	206	659	4,966	20.2
III	5,212	42	5,254	659	5,913	220	752	4,941	20.0
IV	5,180	47	5,227	752	5,979	234	442	5,303	21.4
Year	20,588	192	20,780	479	21,259	842	442	19,975	81.1
1989									
I	5,070	49	5,119	442	5,561	198	448	4,915	19.8
II	5,538	60	5,599	448	6,047	233	647	5,167	20.8
III	5,704	66	5,770	647	6,416	220	760	5,436	21.8
IV	5,727	66	5,792	760	6,553	272	463	5,817	23.3
Year	22,039	241	22,280	442	22,722	923	463	21,335	85.8
1990									
I	5,611	60	5,672	463	6,135	299	568	5,269	21.1
Year 2/	23,606	256	23,862	463	24,326	1,143	460	22,723	90.6

1/ May not add due to rounding. 2/ Forecast.

Table 54--Total red meat and poultry supply and utilization, carcass and retail weight 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports	Ending stocks	Total disappearance	Per capita: Carcass weight	Per capita: Retail weight
	Million pounds							Pounds	
Total red meat and poultry:									
1988									
I	14,798	1,224	1,041	17,062	343	1,421	15,298	62.3	53.7
II	14,978	1,421	974	17,373	423	1,443	15,508	63.0	54.4
III	15,427	1,443	873	17,743	462	1,523	15,758	63.9	55.0
IV	15,580	1,523	706	17,810	500	1,289	16,020	64.8	56.5
Year	60,784	1,224	3,594	65,601	1,728	1,289	62,584	254.0	219.6
1989									
I	14,778	1,289	833	16,900	466	1,328	15,107	60.9	52.9
II	15,497	1,328	796	17,621	571	1,442	15,608	62.9	54.6
III	15,645	1,442	737	17,823	572	1,416	15,836	63.6	55.4
IV	15,962	1,416	768	18,147	647	1,095	16,404	65.7	57.6
Year	61,882	1,289	3,134	66,305	2,256	1,095	62,954	253.2	220.5
1990									
I	15,318	1,095	796	17,209	610	1,289	15,311	61.2	53.4
Year 2/	63,225	1,095	3,138	67,459	2,620	1,161	63,678	253.9	221.8

1/ May not add due to rounding. 2/ Forecast.

Table 55--Egg supply and utilization (population includes military) 1/

Year	Production	Beginning stocks	Breaking egg use	Imports 2/	Total supply	Exports	Hatching egg use 3/	Ending stocks	Consumption: Total	Consumption: Per capita
Total eggs						Million dozen				
1987										
I	1,458.3	10.4	---	2.6	1,471.3	23.6	147.6	11.9	1,288.2	63.6
II	1,456.2	11.9	---	1.2	1,469.4	23.7	154.9	13.8	1,277.0	62.9
III	1,456.7	13.8	---	1.0	1,471.5	21.5	149.2	13.5	1,287.3	63.2
IV	1,497.1	13.5	---	0.8	1,511.4	42.4	147.4	14.4	1,307.1	64.0
Year	5,868.2	10.4	---	5.6	5,884.2	111.2	599.1	14.4	5,159.5	253.8
1988										
I	1,480.3	14.4	---	0.9	1,495.6	33.7	150.2	11.7	1,300.0	63.5
II	1,431.8	11.7	---	0.7	1,444.1	34.1	153.8	20.1	1,236.1	60.3
III	1,424.3	20.1	---	2.1	1,446.6	33.4	151.2	17.6	1,244.4	60.5
IV	1,447.2	17.6	---	1.6	1,466.4	40.6	150.6	15.2	1,260.0	61.1
Year	5,783.5	14.4	---	5.3	5,803.2	141.8	605.9	15.2	5,040.3	245.5
1989										
I	1,388.8	15.2	---	1.9	1,405.9	23.7	155.1	11.7	1,215.3	58.8
II	1,394.1	11.7	---	8.2	1,414.0	21.2	164.8	12.2	1,215.8	58.8
III	1,389.2	12.2	---	10.4	1,411.8	23.2	161.2	11.6	1,215.8	58.6
IV	1,414.7	11.6	---	4.6	1,430.9	23.5	160.5	10.7	1,236.3	59.4
Year 4/	5,586.8	15.2	---	25.2	5,627.1	91.6	641.6	10.7	4,883.3	235.8
1990										
I 4/	1,390.3	10.7	---	2.7	1,403.7	20.0	167.3	13.4	1,203.0	57.7
Shell eggs										
1987										
I	1,458.3	0.7	225.3	1.9	1,235.5	7.1	147.6	1.0	1,080.0	53.3
II	1,456.2	1.0	237.0	0.1	1,220.3	8.9	154.9	1.0	1,055.5	52.0
III	1,456.7	1.0	242.8	0.1	1,214.9	8.3	149.2	1.0	1,056.5	51.9
IV	1,497.1	1.0	235.0	0.1	1,263.2	24.3	147.4	1.3	1,090.2	53.4
Year	5,868.2	0.7	940.1	2.3	4,931.1	48.6	599.1	1.3	4,282.1	210.6
1988										
I	1,480.3	1.3	231.8	0.1	1,249.9	16.0	150.2	1.0	1,082.6	52.9
II	1,431.8	1.0	260.2	0.1	1,172.7	12.0	153.8	0.9	1,005.9	49.1
III	1,424.2	0.9	249.6	1.1	1,176.6	15.7	151.2	0.7	1,009.0	49.1
IV	1,447.2	0.7	234.7	1.0	1,214.2	23.2	150.6	0.3	1,040.0	50.4
Year	5,783.5	1.3	976.4	2.3	4,810.7	67.0	605.9	0.3	4,137.6	201.6
1989										
I	1,388.8	0.3	219.6	1.4	1,170.8	9.1	155.1	0.48	1,006.1	48.7
II	1,394.1	0.5	257.3	7.6	1,144.8	9.7	164.8	0.81	969.5	46.8
III	1,389.2	0.8	245.1	9.9	1,154.8	16.2	161.2	0.69	976.8	47.1
IV	1,414.7	0.7	227.0	4.1	1,192.4	17.4	160.5	0.36	1,014.2	48.8
Year 4/	5,586.8	0.3	949.0	22.9	4,662.9	52.4	641.6	0.36	3,968.6	190.9
1990										
I 4/	1,390.3	0.4	240.6	2.0	1,152.1	11.5	167.3	0.78	972.5	46.7

1/ Totals may not add due to rounding. 2/ Shell eggs and approximate shell-egg equivalent of egg products. 3/ Hatching egg use for 1986-present calculated by a new method. 4/ Preliminary. ---Not applicable for total egg supply and utilization.

Table 56--Selected price statistics for meat animals and meat, 1989-1990

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Dollars per cwt											
Slaughter Steers:												
Omaha												
Choice, 1000-1100 lb	74.52	71.71	70.74	71.09	68.44	69.69	72.48	75.21	76.73	76.61	78.15	79.36
Select, 1000-1100 lb	72.52	69.71	68.47	69.06	66.94	67.23	69.63	71.99	74.02	73.92	75.46	77.00
California												
Choice, 1000-1100 lb	73.25	70.69	72.13	73.88	70.00	72.88	74.88	76.63	77.19	78.67	78.38	78.13
Colorado												
Choice, 1100-1300 lb	75.39	71.86	71.35	73.17	69.25	72.24	75.21	77.43	78.45	78.30	79.30	79.78
Texas												
Choice, 1000-1100 lb	75.30	71.71	71.28	73.88	69.75	72.09	75.47	77.97	79.02	78.62	79.31	80.00
Slaughter heifers:												
Omaha												
Choice, 1000-1200 lb	75.03	71.63	70.44	71.32	68.29	70.08	73.30	75.71	77.69	77.48	78.42	79.51
Select, 900-1000 lb	71.98	68.88	68.06	68.50	65.50	66.56	69.38	71.58	73.32	73.15	74.19	75.63
Cows:												
Omaha												
Commercial	44.63	47.42	48.52	49.63	51.86	48.71	45.67	49.00	49.38	52.13	54.04	53.77
Breaking Utility	45.57	48.56	49.12	50.39	52.42	49.42	46.60	49.38	49.78	52.79	54.67	54.48
Boning Utility	47.00	49.83	50.42	51.35	52.67	51.54	48.70	50.72	51.22	54.86	55.96	55.84
Canner	39.71	43.33	43.29	45.00	46.31	44.08	42.57	42.48	43.27	46.83	49.25	49.21
Cutter	43.90	47.25	49.08	49.12	51.19	49.21	45.67	48.29	48.40	51.59	54.92	54.67
Vealers: 1/												
Choice, New York	104.40	96.63	91.13	93.20	94.00	94.75	94.50	97.88	99.35	104.38	101.50	102.88
Feeder steers: 2/												
Kansas City												
Medium No. 1,												
400-500 lb	96.88	97.50	98.50	101.00	nq	nq	96.63	95.13	97.40	101.00	102.88	104.88
600-700 lb	83.50	85.38	87.13	88.40	88.63	88.25	87.38	86.25	85.70	84.88	87.50	90.81
All weights												
and grades	78.25	79.08	81.64	84.54	83.56	81.24	82.65	82.30	82.47	82.86	83.15	85.42
Okla. City												
Medium No. 1												
400-500 lb	96.12	105.35	103.70	103.82	100.42	100.71	102.03	99.77	101.23	105.13	105.89	111.35
600-700	81.38	87.10	89.54	88.48	87.01	85.62	86.34	88.67	87.34	85.35	87.85	91.13
700-800	77.30	82.47	84.22	85.34	83.88	83.32	85.15	87.11	84.86	82.14	82.18	84.49
Amarillo												
Medium No. 1,												
600-700 lb	80.90	83.17	86.67	85.30	82.00	83.88	82.80	85.17	85.45	84.13	86.13	85.88
Georgia Auctions												
Medium No. 1,												
600-700 lb	79.00	80.50	81.00	82.40	79.50	79.25	79.00	79.33	80.40	82.00	83.75	86.75
Medium No. 2,												
400-500 lb	83.40	86.13	87.33	87.10	84.13	83.13	81.00	80.33	83.20	89.25	92.13	93.13
Feeder heifers:												
Medium No. 1,												
Kansas City												
400-500 lb	84.70	86.50	88.25	89.75	nq	nq	86.50	84.38	85.60	89.50	92.13	92.88
600-700 lb	75.50	78.38	79.50	83.30	83.00	82.88	81.88	80.88	80.80	80.75	80.38	84.69
Okla. City												
400-500 lb.	84.36	87.83	88.27	89.84	87.53	87.64	86.59	83.01	87.64	90.39	92.14	95.47
600-700 lb.	73.87	79.31	82.14	83.06	80.88	80.05	80.64	82.91	81.83	79.81	80.83	83.10
Slaughter hogs:												
Barrows and gilts												
Omaha No. 1 & 2,												
230-240 lb	44.36	47.72	48.46	48.17	44.87	48.23	47.15	51.03	49.33	50.33	53.03	54.80
All weights	42.23	45.66	46.56	46.53	44.83	46.81	45.92	49.68	48.52	47.22	51.76	54.32
Sioux City	42.40	46.24	47.26	47.04	44.58	47.49	46.39	49.65	48.41	49.48	52.56	54.63
7 markets 3/	42.37	46.10	47.06	46.84	44.32	47.15	45.77	49.33	47.94	48.51	51.91	54.11
Sows:												
7 markets 3/	33.94	34.54	34.70	36.52	38.33	41.46	38.53	41.73	43.88	43.91	47.61	51.49
Feeder pigs:												
No. 1 & 2, So. Mo.,												
40-50 lb (per hd.)	34.24	28.85	24.25	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19	63.47
Slaughter lambs:												
Choice, San Angelo	73.56	72.63	67.79	67.28	63.81	59.63	56.06	60.83	54.80	60.38	63.69	54.75
Choice, So. St. Paul	73.21	70.45	66.13	63.76	60.40	58.90	54.60	57.69	55.88	61.68	63.43	57.43
Ewes, Good,												
San Angelo	38.95	37.10	31.92	30.65	30.31	28.00	35.25	39.42	38.30	38.47	38.81	36.50
So. St. Paul	13.56	17.30	18.08	15.06	14.05	14.98	16.70	23.52	23.30	22.00	22.65	17.85
Feeder lambs:												
Choice, San Angelo	78.18	75.94	74.08	75.50	76.06	74.88	74.88	76.00	72.10	74.88	75.63	71.31
Choice, So. St. Paul	79.80	69.62	68.00	69.04	69.74	70.68	68.08	70.65	65.96	68.65	70.00	62.38
Farm prices:												
Beef cattle	68.80	67.60	68.00	69.70	68.20	68.70	69.80	71.00	73.70	74.20	75.00	
Calves	91.10	94.10	94.60	94.20	91.10	88.10	86.70	89.10	91.00	99.10	102.00	
Hogs	41.60	45.10	45.90	45.60	43.40	46.60	45.00	48.20	47.30	51.30	52.90	
Sheep	21.60	22.20	24.60	23.40	23.10	22.70	29.50	31.10	32.20	30.00	26.20	
Lambs	73.10	70.60	68.60	66.60	65.90	62.00	58.70	59.00	56.40	66.00	61.80	

Table 56--Selected price statistics for meat animals and meat, 1989-1990--Continued

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Dollars per cwt											
Meat prices:												
Wholesale												
Central U.S. markets												
Steer beef, Choice 600-700 lb	112.62	106.35	104.91	104.31	102.08	103.13	107.05	111.41	113.30	112.80	113.65	114.70
Heifer beef, Choice 550-700 lb	112.49	106.35	104.91	104.23	102.04	103.13	107.05	111.38	113.30	112.78	113.65	114.70
Cow beef, Canner and Cutter	89.74	93.83	95.24	95.33	99.14	96.14	92.92	100.73	99.89	100.95	102.04	100.61
Boxed beef cut-out value 4/	118.53	114.53	113.17	112.83	110.08	110.04	115.06	119.52	121.74	120.97	122.10	123.62
Pork loins 14-18 lb 5/	99.95	108.28	115.10	110.03	105.25	111.78	91.75	107.28	101.36	107.75	117.26	120.68
Pork bellies 12-14 lb	29.11	32.90	31.52	28.82	34.23	36.88	49.96	42.23	48.65	42.53	42.60	52.60
Hams, skinned 14-17 lb	63.30	64.00	64.23	68.00	69.13	80.56	87.00	78.89	68.44	76.50	79.00	77.33
Pork cut-out value 6/	58.42	62.56	63.59	64.38	61.84	65.53	64.78	67.26	63.49	65.30	69.54	72.14
East Coast:												
Lamb, Choice and Prime												
35-45 lb.	149.30	139.31	131.72	127.45	125.44	123.50	124.60	136.22	127.05	142.81	145.25	135.56
55-65 lb.	142.35	139.31	133.03	130.75	121.44	117.69	109.65	122.72	112.25	127.81	135.25	123.38
West Coast:												
Steer beef, Choice 700-800 lb	116.97	111.19	110.44	109.90	107.38	108.63	112.45	115.97	118.65	118.25	119.50	119.66
	Cents per lb											
Retail												
Beef												
Choice	271.9	268.1	271.6	269.5	270.9	270.8	272.9	274.4	281.3	281.5	281.5	285.4
All Fresh	239.4	237.3	240.6	240.1	241.0	241.2	243.7	245.4	247.8	249.1	249.1	252.9
Pork	177.1	179.1	182.8	184.6	184.4	185.8	189.6	191.2	195.1	196.5	197.0	200.9
	1982-84=100											
Price indexes: (BLS)												
Retail meats	115.6	116.1	116.7	117.5	117.7	118.1	119.3	120.0	122.3	123.5	124.0	125.2
Beef and veal	119.6	119.3	119.5	119.7	120.0	120.0	121.3	122.1	124.5	126.2	126.6	128.0
Pork	110.1	111.8	113.6	114.8	114.3	114.9	116.8	117.2	119.7	119.7	121.0	121.6
Other meats	114.4	114.9	115.1	116.6	117.6	118.8	119.0	119.5	121.6	122.9	122.7	124.4
Poultry	137.3	140.1	138.1	136.2	134.0	131.2	126.8	127.8	128.6	130.5	134.8	132.1
Livestock-feed ratios												
Omaha: 7/												
Steer-corn	29.4	28.9	29.6	32.0	30.8	31.1	32.2	32.8	34.2	34.0	32.6	31.1
Hog-corn	16.8	18.5	19.6	20.9	19.8	20.8	20.1	21.7	21.6	22.0	21.9	21.2

1/ Beginning Jan. 1989 New York auctions (150-250 lb). 2/ Reflects new feeder cattle grades. 3/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 4/ Beef, Choice 2-3 550-700 lb. 5/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 6/ U.S. #2, 175 lb. carcass. 7/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 57--Selected marketings, slaughter, stocks, and trade for meat animals and meat, 1989-1990

Item	Apr.	May	Jun.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
						1,000 head						
Federally inspected:												
Slaughter												
Cattle	2,576	2,947	2,951	2,730	2,975	2,706	2,876	2,693	2,600	2,775	2,437	2,696
Steers	1,302	1,482	1,469	1,353	1,456	1,320	1,332	1,257	1,245	1,324	1,208	1,363
Heifers	743	884	929	882	949	853	904	789	766	807	749	814
Cows	480	526	496	442	507	477	578	591	542	590	434	469
Bulls and stags	51	55	57	53	62	56	62	58	47	54	46	50
Calves	152	157	161	169	189	173	191	175	167	175	145	165
Sheep and lambs	393	435	423	399	476	441	468	467	457	479	431	481
Hogs	7,200	7,277	6,881	6,131	7,392	7,493	7,823	7,815	7,012	7,407	6,643	7,279
Percentage sows	4.0	4.7	5.5	5.9	5.7	4.9	4.6	4.5	4.7	4.5	3.7	3.9
						Pounds						
Average live wt per head												
Cattle	1,117	1,107	1,118	1,126	1,144	1,154	1,156	1,159	1,156	1,150	1,150	1,136
Calves	282	289	278	253	247	255	259	250	237	246	261	264
Sheep and lambs	128	126	120	120	119	120	124	127	129	129	131	130
Hogs	251	251	251	247	247	246	248	251	250	249	248	249
Average dressed wt												
Beef	669	665	673	681	692	696	696	692	688	684	687	682
Veal	167	179	172	156	149	155	157	152	144	149	158	162
Lamb and mutton	65	64	61	61	61	60	63	65	66	67	67	66
Pork	180	180	180	177	177	176	178	181	179	180	179	179
						Million pounds						
Production												
Beef	1,717	1,954	1,979	1,852	2,050	1,874	1,992	1,855	1,783	1,889	1,668	1,831
Veal	26	28	27	26	28	26	30	26	24	26	23	26
Lamb and mutton	25	28	25	24	28	27	29	30	30	31	28	32
Pork	1,292	1,308	1,235	1,081	1,302	1,318	1,387	1,410	1,252	1,327	1,186	1,300
Commercial: 1/						1,000 head						
Slaughter												
Cattle 1/	2,644	3,025	3,024	2,793	3,047	2,774	2,964	2,785	2,680	2,851	2,502	2,764
Steers	1,336	1,521	1,506	1,384	1,492	1,353	1,372	1,299	1,284	1,360	1,241	1,398
Heifers	763	908	952	903	972	875	932	815	789	829	769	834
Cows	493	540	508	452	519	489	596	611	559	606	446	481
Bulls and Stags	52	56	58	54	64	57	64	60	48	56	46	51
Calves	158	163	167	174	195	179	198	182	172	181	150	171
Sheep and Lambs	409	448	437	415	494	456	484	481	469	489	441	493
Hogs	7,383	7,480	7,081	6,301	7,588	7,678	8,032	8,039	7,233	7,605	6,820	7,454
						Million pounds						
Production												
Beef	1,756	1,999	2,022	1,888	2,092	1,913	2,041	1,906	1,827	1,932	1,705	1,870
Veal	27	29	29	27	29	28	31	28	25	27	24	28
Lamb and mutton	26	28	26	25	29	27	29	30	30	32	29	32
Pork	1,322	1,341	1,266	1,108	1,333	1,349	1,421	1,446	1,288	1,359	1,215	1,328
Cold storage stocks: 2/												
Beef	273	244	242	249	242	232	224	237	246	261	269	272
Veal	7	7	6	6	6	5	4	4	4	4	4	4
Lamb and mutton	6	7	8	8	8	7	8	8	8	8	8	8
Pork	438	431	383	345	281	280	275	281	257	272	308	293
Total meat	767	735	686	654	579	559	541	555	529	565	610	597
Trade:												
Imports (carcass wt)												
Beef and veal 3/	166.8	187.3	179.1	193.3	186.3	144.3	177.1	180.0	194.5	201.6	189.1	205.5
Lamb, mutton, and goat	6.3	5.6	5.6	5.6	5.6	4.1	5.7	4.5	6.7	4.5	3.9	4.5
Pork	82.1	83.4	81.6	63.2	73.4	67.5	65.9	66.8	66.8	64.0	69.2	82.8
Exports (carcass wt)												
Beef and veal 3/	81.9	92.1	97.3	101.8	99.8	82.8	115.2	93.5	86.0	72.9	73.3	86.2
Lamb and mutton	0.2	0.2	0.2	0.2	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2
Pork	19.5	24.2	22.6	21.3	22.4	22.5	29.4	26.1	24.7	25.2	21.3	22.9

1/ Federally inspected and other commercial. Classes estimated. 2/ End of month. Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Beginning January 1989, veal trade is no longer reported separately.

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